

31 October 2018

GOVERNMENT CHANGES TO SUPER, RETIREMENT POLICIES WELCOME

The Financial Services Council (FSC) today welcomed the Government's announcements to simplify superannuation and ensure better outcomes for Australians in retirement.

"The Assistant Treasurer's announcement this morning that the Government will increase the proposed threshold balance for super funds to offer Comprehensive Income Products for Retirement (CIPRs) from \$50,000 to \$100,000 recognises the need to align retirement income products to the needs of individual members," FSC CEO Sally Loane said.

"The retirement income covenant will help deliver better outcomes for retirees by ensuring they can access solutions to manage the risks they face in retirement.

"Increasing the minimum superannuation balance for offering a CIPR will help to ensure that these products will only be provided to individuals who will actually benefit".

Ms Loane said the FSC was also pleased the Government had committed to addressing technical issues which had created unnecessary complexity and unintended consequences for retirees.

"We commend the Government for tackling these issues which, while minor, can significantly impact individuals and add to the complexity of the superannuation system," she said.

"In particular, the FSC has previously argued the tax rules about the rollover of death benefits create inequitable outcomes. The current rules can create inappropriate tax liabilities for individuals and impact their ability to sustain their income levels and quality of life following the death of a spouse."

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For further information: Nic Frankham 0435 963 913

About the Financial Services Council

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing almost \$3 trillion on behalf of more than 14.8 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world. The FSC promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.