

Response to superannuation review March 2023

The proposed change to superannuation legislation sounds all right in principle but, of course, the details and how it is applied will be important. It concerns me that the wording implies that access to superannuation might be restricted to people who fully retire from work, rather than people who are planning to transition from full time to part time work as they grow older. My own situation is as follows:

I am 56 years old. I work full time and am on a good income (\$150,000 pa) and my children are older and moving out of home, so my commitments to other people are going down each year. I still have money owing on my mortgage. I have worked in government and higher education for the past 30 years and have a good superannuation balance (over \$700,000). My plan is to work fulltime till age 60, cash in some superannuation to pay off the balance owing on the mortgage, then shift to part time work for another five to ten years. This would involve leaving my full time job, which is at times quite stressful, to do part time work which will be much lower stress and more enjoyable. I will still have plenty of superannuation left to fund my later retirement, and will continue to earn income up to age 65-70. I will probably remain in the workforce for longer than if I continued to work full time as my shift to part time will be a lighter workload and thus more sustainable over time.

It would be wrong for the legislation to prevent me from doing this, under the “concept that contributions to superannuation should not be accessed unless for the purpose of income in retirement, apart from exceptional circumstances”. My circumstances are not exceptional, they are quite common amongst the people I know who are my age. Many of us wish to continue working later into life, but at a slower and more sustainable pace, self-funding ourselves with the superannuation we have accumulated through decades of hard work.

Perhaps the legislation can be more carefully considered to recognise the flexibility that many older people will seek in downshifting rather than retiring, continuing to contribute to society. Superannuation should be available to be accessed to facilitate that transition. It may be that the government would wish to include provisions along the lines of “people who access part or all of their superannuation before age 67 will not be entitled to access a publicly funded pension for X number of years”.

Name withheld for privacy reasons

28 February 2023