



# Association of Independent Retirees (A.I.R.) Limited

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## MEDIA RELEASE

### Impact of the Budget on Self-Funded Retirees

President of the Association of Independent Retirees (A.I.R.) Limited, Theresa Kot, generally welcomed the Budget announcements, particularly in recognising the plight of self-funded retirees in the current economic climate.

“It is pleasing to note the Government’s awareness of the impact of the global recession on the incomes of self-funded retirees through its announcement that from 1 July 2009, it will halve the minimum amounts that superannuants have to draw down from their account-based pensions for 2009-10, extending the drawdown relief provided by the Government for 2008-09,” Ms Kot said.

“We also welcome the announcement that from 20 September 2009, the Government will provide around 300,000 self-funded retirees who are eligible for the Commonwealth Seniors Health Card or Veterans’ Affairs Gold Card, with access to the Seniors Supplement,” she said.

“The Government’s decision **not** to proceed with the proposed announcement in last year’s Budget to change the eligibility threshold for the Commonwealth Seniors Health Card (CSHC) is particularly welcomed, reflecting a significant level of advocacy by A.I.R. members,” Ms Kot said.

Ms Kot noted other impacts of the Budget on self-funded retirees:

- Aged Care and Public Housing: special arrangements are to be put in place for part pensioners and self-funded retirees currently in aged care who do not benefit from the full pension rise to protect them from any increase in the basic daily fee. These residents will not face any fee increase while in care.
- Self-funded retirees with an income in excess of \$150,001 (couple) and \$75,001 (singles) will receive a lower Private Health Insurance Rebate of 25% for those over 65 and 30% for those over 70 years of age. Those in higher income brackets will be subject to lower rebates. It appears that the Government remains committed to retaining the rebates, through the continuance of an incentive to maintain private health insurance.
- Recognising that more people are living to an older age and may have insufficient superannuation savings the Government has lifted the age pension eligibility by two years progressively from 1 July 2017. Only persons who are currently younger than 57 years of age will be affected by this change.

“It is apparent that the Government has listened to the voices of self-funded retirees to date, and while this sector continues to experience the negative effect of the global financial crisis, we would encourage a continued dialogue with Government to protect their hard-earned independence,” Ms Kot said.

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For further information, contact Theresa Kot on 0406 204 435, or the A.I.R. National Secretariat on (02) 6290 2599.

Website: [www.independentretirees.com](http://www.independentretirees.com)

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