I am a retired FIS officer with 35 yrs service with Centrelink. Being part of a large network within the community I have been inundated with concerns about certain proposals announced by the Govt - especially the one to extend 'deeming' to Superannuation Account based Pensions. My network includes ex colleagues, current Centrelink staff members, pre-retirees, self funded retirees & several pensioners.

I strongly believe that not enough research has being carried out on the possible consequences of this proposal.
The current "Account Based Pensions" system was designed to reward those who took a structured and ordered drawdown of capital, ensuring that their 'capital' and 'income' lasted as long as possible...without having to depend on the age pension in retirement. It was designed to discourage taking out a lump sum at retirement, spending all of it, and then falling back on a greater amount of age pension throughout ones lifetime. Those people who structured and planned for their retirement would end up with far greater assets over their lifetime, with far less reliance on the age pension.

When measured over their entire life they would have received far less age pension, resulting in a 'win win' for everybody - the individual, society and tax payers. As FIS officers, this was how we explained the system to encourage people to save for their retirement, and become self reliant.

If deeming is extended to their superannuation pensions there is absolutely no incentive to invest in super.
The biggest losers will be those with RELATIVELY LOW ACCOUNT BALANCES........... the Low Income Earners.
Those with 'HIGHER ACCOUNT BALANCES' would not be hit........ because they would have already been caught out by the 'assets test' rather than the 'current income test' or 'proposed' changes to the income test.

Other losers would indeed be Super funds because there is bound to be an exodus out of them, when Pensioners & Retirees realise that the market volatility would be far too great a risk. There would also be a significant impact on Employers in the period leading up to the change if it affects Employees Retirement Plans.

My ex colleagues and I have worked out some frightening Scenarios that demonstrate this. Happy to forward these details to you. The calcs could easily be verified by contacting current FISO's.

The grandfathering provisions are a big joke because retirement planning involves frequent changes that will nullify any intended advantages.

Situations like: *Changing income stream providers (including moving 'from' or 'to' a self-managed superannuation fund – an SMSF)
*Aggregating multiple account-based pensions
*Commencing a new death benefit pension
*Adding to a pension (ie, some products facilitate a seamless commutation, adding new monies and recommencement of a pension).

Current & Future "Income tested" Age pensioners will feel the impact most as well as those Age pensioners in Aged Care (affecting their 'Income tested' Fees).

I sincerely hope that the Govt will reconsider this proposal or at least research the possible consequences further.

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