Review of Retirement Income Policies submission

At age 64 I have been fully retired now for the last two years. Have worked casually for the last 5 years.

My wife is 55 and retired.

We have lived our life for the past two years on our own capital and that costs us approximately $4700.00 per month to live the lifestyle we are accustom to.

What allowed us to do what we have done was not Superannuation schemes or KiwiSaver, but property investment from the year 2000 onwards.

We now only have one rental property remaining.

We both now do have KiwiSaver schemes and will keep those going as long as possible – me personally, I will continue to pay into the scheme after the age of 65.

My initial superannuation scheme started when I was 17 years old and in hindsight I wish I was never able to get my hands on that money when I resigned that employment. In my mind that scheme should have been transferred to a Government Scheme (in whatever shape or form way back when – now KiwiSaver) or to subsequent employer schemes and contributions continued on at an agreed rate and indeed myself at a least a minimum rate. Other higher rate options being available.

I would suspect if that had been the case my wife and I would be looking at a substantial sum of money in May 2017 (at age 65 for me) that could have (maybe) been taken as either a "lump sum" or partial lump sum and the remainder as a fortnightly pension payment along-side the current "National Superannuation Scheme".

So in review – compulsory superannuation for all persons of working age in NZ.

For every new baby born in NZ the Govt. invests $5000 into KiwiSaver for that child – never to be accessed until reaching the age of 65. Contributions to that initial investment to be picked up when that individual starts working in NZ – employer contributions also kick in also at that stage. No withdrawals "ever" for hardship/first homes or whatever – purely money for the retirement years.

Funds could only be transferred overseas where agreements signed with that country allows. Should the owner of the fund meet with some unfortunate accident causing death or dies in the life-time of the fund, nobody (dependants/family etc.) can gain access to those funds until the fund has been in place for 65 years. If at that stage there are no immediate family beneficiaries, the fund stays in the pool.

I could imaging the "Pool" of money in New Zealand's controlled retirement scheme (for want of a better name) would be immense and be able to be reinvested by the Government of the day in NZ based infrastructure.

However, like the flag debate, any Government putting up such a plan would have a very difficult job selling it. It would be politicised and probably fall into the "Big Black Hole" like to proposal back in the 1980's (I think) for a compulsory super scheme. We can only imagine had compulsory super been in place from after WWII the position our great country & Government finances would be in now – hindsight is a wonderful thing.

Maybe some thoughts to ponder.

Cheers for the opportunity to have an opinion.

Barry Withington