

1 August 2016

Mrs Diane Maxwell  
Retirement Commissioner  
Auckland

**NZ Retirement Income Policy – Who Gets What? (September).**

Thank you for inviting submissions.

I have just one main concern. It relates to Section 70 of the Social Security Act 1964. Currently the Act states that a NZ Pensioner's rate of entitlement to NZ Superannuation shall be reduced by the amount of pension they receive from any overseas pension administered by or on behalf of the Government of the country from which the pension is received.

This is fair enough in cases where the overseas pension is funded entirely by the state. However the Ministry of Social Development interprets the Act to include pensions funded by personal contributions, such as the Canadian Pension Plan, German Pension Insurance, and the HSC Pension Scheme in UK. This is totally unfair because the funds and the earnings in such schemes belong to the contributor, not to the NZ Government or anyone else.

Try telling NZ public servants that their personally funded NZ Government Superannuation payments will henceforth be deducted from NZ Superannuation! Why exempt this scheme and not similar schemes overseas? The policy clearly disadvantages many who come here and retire, even if our state pension scheme is more generous. Pensioners who stay home are entitled not only to their state-funded pension but also pensions funded by their own contributions.

The application form for NZ Superannuation clearly states that entitlement is not affected by the applicant's income. Pension payments are treated as income by IRD but evidently not by MOSD. Surely government departments should be consistent.

Deducting personally funded overseas pension payments from a NZ pensioner's entitlement is tantamount to theft by the NZ Government and renders it liable for legal action resulting in repayment of all funds confiscated plus interest plus compensation for stress suffered by the pensioners. It is also manifestly discriminatory and unfair.

The Act should therefore be amended urgently to exclude deductibility of all pensions funded by personal contributions. The extra cost to the NZ Government could be met by gradually raising the age of eligibility to 70.

Yours sincerely  
Name withheld