

12 May 2016

Commission for Financial Capability  
Level 3,  
108 Quay Street,  
Auckland 1010,  
New Zealand.

**Attention: Diane Maxwell - Retirement Commissioner**

Dear Ms. Maxwell,

### **Superannuation Legislation and it's Effect on Citizens Living Outside New Zealand**

Reference: AA/Terms Of Reference 2016 – Review of Retirement Income Policies; Item 6. "An assessment of financially vulnerable groups in retirement and the effectiveness of current retirement income policies for them"

I am writing to make a contribution to your deliberations leading to Reference AA.

As a married 69 year old New Zealand Citizen, who now lives permanently overseas, I am both:

1. Financially vulnerable and
2. A victim of theft by the New Zealand Government.

The circumstances leading to these unnecessary positions is due to a conscious deviation, by the Government, from the core tenants of what I believe, as my forebears did, that New Zealand is a country that leads the world in 1/fairness, and 2/"doing the right thing" by any humane measure – "the two tenants"

While this may seem to be a digression, I first want to set the context, in the large, of the lens through which I view this subject. I have always quoted to others, with quiet pride, some of the significant ways we New Zealanders, have directly exemplified these tenants over our history:

- Labour as a humane enterprise; amongst first in world to enact an eight-hour work day in (Wellington 1840);
- First for a self-governing colony in the world to give Votes for Women as enshrined in the The Electoral Act 1893;
- WW 1; largest contribution of personnel of any Commonwealth country; circa 10% of population/100,444; 42% of age eligible men enlisted; my Great Uncle, Archibald Hamilton, was killed in the Somme in 1918;
- WW 2; again, significant contribution and high cost (Commonwealth: NZ; 6684, Britain; 5123,Australia; 3232 dead per million population); my Father and Uncle both served; the latter spent 3.5 years in Stalag VIII B and survived the Great March and my Mother became an Ambulance Driver in addition to her teaching career;
- Significantly instrumental in the demise of Apartheid;
- Largely instrumental in banning nuclear tests in the Pacific.

There are many examples that could be added.

I come from an honest, hard working familial line; from immigrant coal miner arriving by sailing ship in the 1880's and farming families. From my rural Northland farming upbringing, I went on to win a Rotary Scholarship and ultimately attained the degree of Master of Science at Cranfield University. So when I started my Apprenticeship in 1965 aged 17, far away from home, with what is now Air New Zealand, my sense of fairness and doing the right thing, was by then entrenched. It was further amplified, especially the latter tenant, by intense training, that ensured that all my work contributed to the safety of the flying public, and by extension, their families.

My career in aviation lead me, after being made redundant in 1990, after 26 years with Air New

Zealand, to live in Australia and then the United Kingdom until my retirement in 2005. Following we (my wife and I) continued to live in the UK before moving to her home land, Turkey where we now live.

However retirement has revealed the inequity of the New Zealand Government's treatment of it's Citizens. Where I have received a Pension from the UK for my two working tours there, without any fuss or bother, that is paid directly to our local bank account every month, the door to a New Zealand Pension has been slammed in our face, with no trace of the two tenants of fairness and rightness.

So, my innocent trust that after paying into NZ Superannuation for 20 years, that a pension would be available when I needed it, has been smashed and my funds have been stolen by the State. Accoringly I am being forced to live on the pension generated, based on less than half my working life spent working in the UK (note; my time working in Australia has no pension benefit).

I have always been self-sufficient and indendent; in all my working life, even when I was out of work for extended periods, I never claimed funds from any State.

So, how on earth does the Country think it is building a better future for it's citizens when it is operating on foundation of broken promises to those most vulnerable? The current regime treats my work contribution as being worthless, leaving me vulnerable while feeling helpless and ignored. Is it not ironic that these facts and feelings of mine are the exact antithesis of the whole rationale of the Department for Work and Pensions?

It is also illuminating that that needs of Seniors, especially with respect to pensions, is virtually absent from all the words written supporting the Ministry of Social Development's Strategic Intentions:

<http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/corporate/statement-of-intent/2014/strategic-intentions.html#MinistryofSocialDevelopmentfouryearstrategicdirection5> . Shame.

I understand very substantive work has been done that identifies the poor state of pensions for those living overseas e.g <http://www.nzpensionprotest.com/Home/the-fight/akl-university-research-centre> .

The resulting vulnerability, due to legalised theft by the Government, that we experience, is in our minds, a critical subject that your Commission needs to address, beyond the good work done so far, to make the case to 'put things right' inescapable for the Government when you submit your 2016 Report.

In my view, these are the key points to make the system fair:

1. Money paid into a pension fund is the personal property of the contributor (and is in the care of the pensions authority). Payments in are held in trust and used to make investments on behalf of the Citizen by the State, to provide funds essential for later life;
2. The payment of a pension, by way of the Social/legal Contract between the Citizen and the State, cannot be denied at some later date; to do otherwise, as now, is theft by the State;
3. The world location of the Citizen who has entered into the Contract, will have no bearing on any subsequent payment of the pension i.e. payment will be made to whatever bank account the Citizen nominates;
4. The current drive to make everyone's pension 'equal' no matter what is already corrupt e.g. Australia case where inequality is condoned; be pragmatic and accept that 'payment perfection' is not reasonably possible;

5. Taxation of a pension is the concern of the Citizen in the state in which they now live i.e. the payment made should be the gross amount.

Had we chosen to be selfish, we would have remained in the UK, where we would have received my Superannuation pro-rata without question. However, having the temerity to marry a Turkish Citizen, we live in Turkey, to be close to my Wife's aged Mother who needs support where we struggle to achieve that core family role; this unnecessary financial limitation is both inhumane and humiliating.

In closing, I trust you will get the sense of impotent rage that I have for the situation I now find myself in, due to the inhumanity of the State. I am being penalised for being one of the some 10-15% of Citizens living overseas, who have likely contributed to the pension scheme and living in a the nonsense of a 'non-approved' country. With the current Regulations it is clear to see why there are so few counter-signatory countries.

Human Rights; NZ hang your head in shame as you cannot deal with the easy parts for the few; what hope for the harder for the many?

In spite of all the foregoing, I remain a loyal New Zealand Citizen and live in the belief that My Country has the good sense to deliver what is right and reasonable to triumph in the end, as did my forebears in both war and peace.

Yours sincerely,

Name withheld on request