

## Politicians and superannuation

The superannuation debate is starting to gear up and looks set to become a key election issue once again. To summarise the current situation, Finance Minister Michael Cullen has set up a special fund that will partially pre-fund future New Zealand Superannuation (NZ Super) payments. However, National says it will dismantle the fund if it gets into power, believing the best way to secure NZ Super is through promoting economic growth.

Either way, can we be sure all our future superannuation needs will be taken of?

What we have to remember is, they're not talking about solving **our** superannuation challenge (i.e. how to make sure we have enough money for a decent standard of living in retirement), they're talking about solving **their** superannuation challenge (which is, how to ensure the state can continue to afford to pay NZ Super).

However, NZ Super, or the state pension, is only part of the retirement funding issue. As Greens co-leader Rod Donald recently put it, NZ Super is just the bread and butter – if you want jam as well, you have to make it yourself.

Furthermore, it's not a very thick slice of bread either. For a married couple, NZ Super is currently fixed at 65% of the average after-tax wage, which amounts to \$367.38 a week. For a single person, it's \$238.80 a week – not much, if that's all you have to live on.

That's why it's important not to get complacent, and not to leave it to politicians to sort out for you. Their only goal is to try to keep paying NZ Super at the current level – not a higher level. In fact, National says the payout level may well have to drop over time, while Treasury has just released a paper saying we need to look at gradually pushing out the age of eligibility from 65, since increasing numbers of people are retiring and living longer.

If you're really serious about this issue (as each and every one of us should be), have a look at the Retirement Commissioner's website at [www.sorted.org.nz](http://www.sorted.org.nz). Here you can work through the various retirement calculators to find out how much money you will need in order to afford the kind of retirement you want to have.

Of course, once that's 'sorted', you need to make sure you go on to achieve that goal. The best way to do that is to consult a professional financial adviser, who will help you draw up and implement a plan designed to work just for you.

ENDS

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