APPENDIX 1 - CHRONOLOGY OF CHANGES IN RETIREMENT INCOMES POLICY

1908 The Age Pension was introduced by the Commonwealth Government for 65 year olds and commenced operation from 1909, superseding State based systems in New South Wales, Victoria and Queensland. In addition to age eligibility was limited according to character, race, residency and means .

1910 Pension eligibility was reduced to 60 for females.

1915 Commonwealth income tax was first levied in 1915 with lump sums being taxed at 5% under Section 14(f).

1952 An attempt was made to tax lump sums more heavily but, according to the Asprey Committee, the legislation was defeated on the argument that progressive tax scales would tax too heavily a lump sum in excess of the proposed RBLs (reasonable benefits limits) which were proposed to be 1 year's salary for every 20 years of service up to a maximum of 20,000.

1961 Superannuation funds were exempted from tax if they held required amounts of Commonwealth bonds ('30/20 rule').

1965 The Commonwealth's control of superannuation funds by use of the taxation power was established and upheld by the High Court.

1973 Whitlam Government established the National Superannuation Committee of Inquiry under Prof Keith Hancock.

1974 Means test for those aged 75 or more abolished.

1975 Means test for those aged 70 to 74 abolished.

1975 Announcement of benchmark for Age Pension at 25% of AWE

1976 Assets test abolished.

1976 Final report of the Hancock Inquiry delivered to the government and the majority recommendation to establish a partially contributory universal pension system with an earnings related supplement was rejected in 1979.

1983 Tax on lump sums received after age 55, which had previously been tax free or subject to a tax of 5%, increased to; 15% on first $50,000; and 30% on amounts above $50,000; unless converted into a pension or annuity.

Income test reintroduced for persons over 70 years.

The deductible amount (return of capital component) was introduced for annuities in calculating the Age Pension entitlement.

Certain constraints were removed to facilitate the achievement of a limited market for annuities among certain groups such as those using annuities for pre-retirement purposes and some aged pensioners 70 years and over.

1984 The 30/20 rule for investments in government bonds for life companies and superannuation funds was abolished.

The Age Pension assets test was reintroduced with the family home excluded.

1988 The 15% tax on superannuation contributions and a 15% tax on superannuation earnings was imposed with eligibility for franking credits.

Reasonable benefit s limits (RBL) arrangements were adjusted: the single RBL multiple was replaced by a scale tapering as income increases; with minor exceptions all benefits derived from concessionally taxed sources or which themselves were concessionally taxed would be subject to the RBL.

1990 Golden handshakes became subject to the RBL.

1995 Increase in the eligibility age for women for the Age Pension from 60 to 65 years over the period 1995 to 2004.

1996 Introduction of surcharge on high income earners contributions but was subsequently abolished.

1997 Legislation to maintain the Age Pension at 25% of AWE.

2004 100% Assets Test Exemption on complying income streams (lifetime annuities and fixed term annuities to life expectancy) reduced to 50% and Term Allocated Pensions (allocated pensions with a maximum and minimum withdrawal rate) included as an eligible complying income stream.

2007 Assets Test Exemption on complying income streams abolished.

Earnings Tax and Benefits Tax exemption for superannuation pensions funded from a taxed source for retirees over 60 years.

2009 Increase the single rate of the Age Pension by $30 per week and adjustment of the benchmark for the single rate to 27.7% of AWE and the couples rate to 41.76%.

Introduction of the PBLCI (Pensioner and Beneficiary Living Cost Index) with indexation being the highest of the wage benchmark, the CPI or the PBLCI.

Increase the eligibility age for the Age Pension from 65 to 67 from 2017 to 2024.

MySuper default superannuation requirements legislated but post-retirement solutions prohibited.

2013 Policy decision to tax DLAs (deferred lifetime annuities) as superannuation pensions and remove minimum drawdown requirement in deferral period but not implemented.