



PS Superannuants

The Association of Public Sector Superannuants Inc.
Formerly SA Superannuants
Established 1927

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The Hon. Stephen Mullighan MP
3 Charles St,
WEST LAKES, SA 5021

Dear Treasurer,

Thank you for your letter of 17 January 2024 sent in response to a request made in our letter to you of 11 December 2023. Our request then was for an explanation of why triennial reviews of the State Pension scheme refer to substantial government outlays for the scheme continuing well beyond the achievement of full funding which is expected in 2034.

Your explanation confirms our understanding that when full funding has been achieved, and all pensions have commenced, subsequent pension payments made by the Government will be fully reimbursed from accumulated assets derived from member and employer contributions already paid. This surely means there will be no cost to the government after full funding has been achieved. For the reviews to say there is a continuing government outlay beyond 2034 is, in our view, misleading and we now make this request of you.

We ask you to arrange for future triennial reviews to make clear that, after full funding of the pension scheme has been achieved, it is expected that there will be no cost to the State government for pensions commenced by that date.

We believe that this request could be met by:

1. Including two extra columns in the **Projected Annual Outlays** Table that appears in the 30 June 2025 triennial review. One column would display the reimbursement amounts for each year, and the other the net outlay (outlay-reimbursement) for that year. Net outlays, once full funding has been achieved, would be zero thereby giving a fair account of the situation.
and
2. A note accompanying the Table to explain the source of the reimbursement payments received by the Government.

The Association acknowledges that it has not, previously, made an issue of triennial reviews indicating continuing outlays for the Government beyond the achievement of full funding. But at its meeting of 25 March 2024 the Executive Committee decided it should do so now.

Yours sincerely,

Barry Grear AO
Secretary