

Wednesday 4 May, 2016

Response to Budget 2016

Women in Super welcomes the bi-partisan support for superannuation tax relief for low income earners demonstrated by Federal government announcement of the Low Income Super Tax Offset to replace the LISC which was scheduled to end on 1 July 2017.

Cate Wood, National Chair of Women in Super said Women in Super had lobbied to retain superannuation tax relief for low income earners since the election of the Abbot Government.

"There was unanimous agreement at the Women's Super Summit in 2013 that retention of the Low Income Superannuation Contribution (LISC) was the number one priority for women" said Ms Wood "and we have argued for tax fairness in superannuation and retention of the LISC in every subsequent pre budget and superannuation submission since."

"It is such a relief that the Government and opposition support greater tax equity for low income earners. Whilst there is much more that needs to be done to improve superannuation outcomes for women at least now half the female workforce will not be going backwards."

"When women have only half the superannuation balances of men, savings made through adjusting tax concessions for high income earners should be kept within the system and used to boost the savings of women." Said Ms Wood "this could be done by applying a 15% super boost for low income earners, paying super on paid parental leave and removing the \$450 monthly income threshold for payment of the superannuation guarantee."

Media Release

WIS also welcomes the setting of a lifetime earnings cap for superannuation accounts as this prevents superannuation being used as a method of accumulating wealth and having no cap was fiscally unsustainable.

We would agree that setting the annual pre tax contributions cap at \$25,000 is a fiscally realistic and sustainable level and will allow some women to play catch up especially if they return to the workforce in later life and find themselves with more discretionary income. In the same way extending eligibility for a tax offset to high income earning spouses who contribute to the super accounts of low income earning spouses will benefit some women. However, these are voluntary measures, and, the level of income required to be able to afford them is beyond the reach of most working women and their families.

As the recent Senate report and recommendations on women's economic security in retirement stated - A husband is not a plan.

WIS is extremely disappointed that the Age Pension did not get a mention or receive a boost as the Age Pension not superannuation savings will be the main source of income for most women in retirement for many decades to come.

Contact:

Sandra Buckley, Executive Officer – Women in Super: 0419 533 002

Women in Super is a national advocacy and networking group for women employed in the superannuation and financial services industries, and advocates on behalf of its members and women generally to improve women's retirement prospects and access to superannuation.