

**28 August 2013**

## **Low income earners and women deserve a better deal in retirement say super groups**

**The Australian Institute of Superannuation Trustees (AIST) and Women in Super (WIS)** have called on the Coalition to reconsider its position on key superannuation policies for low-income earners and women, following the release of its policy costings today.

The Coalition confirmed it will 'save' more than \$3.7 billion by discontinuing the Low Income Superannuation Contribution (LISC) Scheme, and a further \$1.6 billion by delaying the increase in the Superannuation Guarantee (SG) to 12 per cent.

**AIST President and WIS Chair, Ms Cate Wood**, said re-directing a total of \$5.3 billion away from the super system over the next few years – most of it away from low income earners - was false economy, given that extra super savings would reduce budgetary pressure on future governments to fund the Age Pension.

"The more money that is re-directed away from the super system, the higher the cost to future governments to provide the Age Pension to an ageing population," said Ms Wood.

"We need the SG to rise to 12 per cent as quickly as possible if more Australians are to retire with adequate incomes. And we also need the very effective, well-targeted LISC scheme that, in addition to helping the low paid save for their retirement, corrects a tax anomaly whereby those earning less than \$37,000 a year were paying more tax on their take home pay than their super."

Ms Wood noted that while it was pleasing to see the Coalition had recognised the need to help parents by including a superannuation component on their paid parental leave scheme, the nation needed policies to address the gender retirement savings gap and other inequalities in the super system.

"While a paid parental leave scheme with a super component is a very welcome addition to Australian workplaces, it doesn't replace the need for measures to improve the retirement outcomes of the low-paid," Ms Wood said. "More than a third of the female workforce qualify for LISC - many of whom are working part time on their return to work after having children. These women will miss out on an annual boost to their super of up to \$500."

According to an AIST poll earlier this year, the LISC scheme has wide support, with only 6 per cent of Australians opposing it.

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