WOMEN IN SUPER

Media Release

Tuesday 13 May, 2014

The budget signals poverty in retirement for many women.

Women in Super (WIS) Chair, Cate Wood said the Government's double whammy of increasing the retirement age to 70 whilst withdrawing up to $500 per year in super from the lowest paid would put many women in a very vulnerable position in their old age and was blatantly unfair.

"Increasing the pension age to 70 will hit women hard as many have to leave work early for caring reasons. The responsibility of caring for disabled children, elderly parents and sick partners usually falls to women and is one which has a detrimental impact on their income earning ability and therefore on their retirement savings. Older women also experience discrimination in the employment market."

Ms Wood stated that women have half the superannuation savings of men and greater life expectancy meaning their savings had to last longer.

"The Government intends to repeal the Low Income Superannuation Contribution (LISC), a vital policy measure that specifically helps 3.6 million workers earning up to $37,000 save for their retirement. " said Ms Wood.

"When women have half the superannuation savings of men it is incomprehensible that the Government chooses to remove a tax break from 50% of the female workforce whilst leaving untouched the 30% super tax break for the highest paid - predominantly men."

Over two-million working women, 40% of the rural population and 70% of the part-time workforce benefit from the LISC. This annual super boost of a payment of up to $500 can be worth substantially more over a working lifetime. It's an excellent, well-targeted long term measure which helps women (and low-income earners) reduce the super gap said Ms Wood.

WIS feels so strongly about the value of the LISC as an important tax equity measure they have launched a website called Keep Super Fair. This website encourages the general community to take action and sign the online petition and email their local MP to request their support to retain the LISC.

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"Women reducing their hours (and therefore accepting a lower income) to care for children, sick and disabled family members and older parents do not expect to be further penalised by paying more tax on their super contributions than on their take home pay." said Ms Wood.

Women in Super had called on the Government to undertake analysis of the gender impact of budget measures in their pre-budget submission. "Clearly this has not been done as the increase in the pension age and proposed repeal of the LISC will disproportionately affect the retirement outcomes for women." said Ms Wood.

Contact:
Cate Wood, Chair & National Spokesperson

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