Media Release

Monday 8 September, 2014

Women in Super pleased that Low Income Super Contribution remains until 2017 but worried about future

Women in Super (WIS) Chair, Cate Wood said that at the recent Women in Super Board meeting, the organisation agreed that it was disappointing the Government planned to scrap the LISC after 2017. The LISC currently benefits 3.6 million working Australians, including more than 2 million part-time workers and 1 in 2 working women.

"At a time when calls for tax equity in superannuation are growing louder, it's a step in the wrong direction to be axing the LISC," Ms Wood said. The LISC offers up to $500 a year to workers earning less than $37,000 a year which is paid directly into their super accounts. Without the LISC, low income earners receive no tax break on their super contributions.

"This year is the first time many people will see the LISC on their super statements and they will continue to see it for the next three years. However, once the LISC is scrapped it would be very difficult to suggest that people on low incomes put money into their super accounts which would have the direct effect of increasing their tax liability", Ms Wood said. "The current system of super tax concessions is not distributed equitably and does not benefit those who most need help in saving for their retirement".

Furthermore delays to the SG increase are not in the best interests of ordinary Australians and will further erode retirement savings for many Australians. "Constant changes to the system lead to mistrust and this is not in the best interests of our super system".

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WIS is a national advocacy and networking group for women employed in the superannuation and financial services industries and advocates to improve women's retirement prospects and access to superannuation.

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