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### Super group calls on Coalition to commit to low-income super break

The peak body for Australia's \$500 billion not-for-profit superannuation industry – **the Australian Institute of Superannuation Trustees (AIST)** - has called on the Coalition to commit to the low-income superannuation scheme and help boost the retirement savings of those most in need.

Media reports this week have suggested that the Coalition is planning to end the Government scheme as part of a package of proposed spending cuts should it win the next election.

**AIST CEO Fiona Reynolds** said the scheme - which was announced by the Gillard Government in 2010 and came into effect on July 1 this year - was a very welcome and much-needed equity measure that would make a significant difference to the retirement outcome of millions of Australians.

"This is a very significant reform that will ensure the super system is a lot more equitable for around one in three Australian workers who previously got little or no tax breaks from contributing to super," Ms Reynolds said.

"There's been a lot of discussion recently about the fairness of tax concessions in super and this is one measure that really targets those concessions to those who need them most".

Ms Reynolds said the scheme was a particularly important initiative for Australian women who took career breaks or worked part-time to raise children and currently retired with about half the superannuation of men.

Recent AIST research found that the average balances for men aged 60 years were around \$210,000, compared to \$95,000 for women of the same age. More than 2 million Australian women are estimated to benefit from the low income super scheme.

Ms Reynolds said an important aspect of the scheme was that it did not require any additional contribution.

Under the government scheme, workers earning less than \$37,000 do not pay the 15% tax on their superannuation contributions because it is rebated to their funds. The rebate is worth up to \$500 a year, which is potentially worth many thousands of dollars extra at retirement for qualifying individuals.

#### Further media enquiries:

**AIST CEO Fiona Reynolds: 0408 336 116; Media Manager Janet de Silva: 0448 000 499**

***AIST is the peak industry body for the \$500 billion not-for-profit super sector which includes industry, corporate and public sector funds covering the super interests of nearly two-thirds of the Australian workforce.***