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## Government's rejection of key Senate recommendations a setback for the retirement outcomes of Australian working women

The Turnbull Government's disregard for key Senate recommendations on reforming super was disappointing and a setback for the retirement outcomes of Australian women, **the Australian Institute of Superannuation Trustees said today.**

In a response issued last week, the Government rejected all of the key recommendations contained in the report - **'A Husband is Not a Retirement Plan - Achieving economic security for women in retirement'** - released back in 2016 by the Senates Economics References Committee. The report recommended much-needed reforms including scrapping the \$450 monthly payment threshold for super; bringing forward the raising of the Superannuation Guarantee to 12%; super on paid parental leave and better targeting of super tax contributions. These reforms were rejected by the Government, which noted instead its 2016 Budget reforms, which extended the spouse offset for superannuation contributions and (from July 2018) allows people with low super balances of less than \$500,000 to make significant catch up contributions.

**AIST CEO Eva Scheerlinck** said the Government's rejection of crucial reforms to improve retirement outcomes for women and its emphasis instead on measures to extend the spouse offset for superannuation contributions and encourage women to make catch-up contributions was inadequate and out of step with reality.

"Extending the spouse offset and allowing higher catch up contributions will do nothing to help ordinary working women who may not have the spare cash to put more into super, nor will it do anything to help divorced and single women who experience some of the poorest outcomes in retirement," Ms Scheerlinck said, who noted it was also disappointing that the Government had taken more than two years to respond to the Senate report.

The 2017 Australian Services Union/Per Capita report 'Not So Super for Women' found that women retire with 47 percent less super than men and that one of the main sources of retirement poverty was the breakdown in relationships.

**Media contact: Janet de Silva 0448 000 499**

*AIST is the peak body for the \$1.2 trillion profit-to-member superannuation sector which includes industry, corporate and public-sector funds.*

### **Further information: Abolishing the \$450 threshold**

The \$450 threshold is the monthly amount that a worker must earn before an employer is required to pay superannuation. According to Australian Bureau of Statistics data more than 350,000 Australians are affected by the threshold. This includes many low paid workers with multiple employers.