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Member statements must not fall short on LISC disclosure

The Australian Institute of Superannuation Trustees (AIST) is calling on the Government to maintain the separate disclosure of the Low Income Superannuation Contribution (LISC) Scheme on members' superannuation statements.

With the LISC to remain in place until at least June 30, 2017, AIST believes it is important that the estimated 3.2 million Australians that receive the LISC are provided with full details about their payment on their super statements.

Instead, the Government is planning to repeal regulation requiring the separate disclosure of the LISC. Disclosure of the payment will be bundled with other super concessional payments, which AIST is concerned will effectively mask the benefits of LISC to millions of members.

AIST executive manager, policy and research, David Haynes, said LISC payments should be transparent and fully disclosed to beneficiaries.

"Separate disclosure of the LISC not only improves member engagement with super, but it will provide consumers with a greater understanding of the value of the Scheme," Mr Haynes said.

"Many LISC beneficiaries are unaware that they are receiving up to $500 a year to keep their super fair. Separate disclosure will ensure that they are kept informed about payments and they will also be much more aware when this important equity scheme disappears, " he added.

AIST continues to fight for the survival of the LISC, arguing it is a much needed equity measure in the super system that corrects a tax anomaly whereby low income earners effectively pay tax at a higher rate on their super than their take home pay.

AIST and Industry Super Australia have made a joint submission to the Australian Securities and Investments Commission calling for change.

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AIST is the peak industry body for the $650 billion not-for-profit super sector which includes industry, corporate and public sector funds.

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