

## Flexible Budget measures on super contribution caps will help women catch up: AIST

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Budget measures that provide flexibility around the new \$25,000 super contribution cap limits announced last night will be particularly helpful for women who return to work after a career break, the Australian Institute of Superannuation Trustees said today.

The new measures will provide workers (whose super balances hold less than \$500,000) with the flexibility to make additional pre-tax super contributions when they have not used their annual caps in previous years.

While the annual concessional cap limit has been reduced to \$25,000, the carrying forward of unused cap amounts will be allowed on a rolling basis for five years. This effectively provides the opportunity to put up to \$125,000 into super (including SG contributions) in the last year of a five year period, or say, \$50,000 over a two year period.

AIST CEO Tom Garcia said AIST had long called for flexibility around concessional caps to allow workers, such as mothers who take career breaks to care for children or other family members, the ability to make catch up contributions.

“This is a sensible policy measure that recognises our super system needs to become more flexible in line with the way people work,” Mr Garcia said. “Not everybody works consistently for 40 years and workers – particularly women who take career breaks to care for family members - shouldn’t be penalised.”

Mr Garcia said while many workers would not have the available cash to take advantage of the flexible caps, older workers with the funds to make a significant contribution to catch up on their super when they return to work would benefit.

“The government has recognised that the system shouldn't be one size fits all,” said Mr Garcia.

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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.***