

### Super changes that improve retirement outcomes for low income earners must be supported

**The Australian Institute of Superannuation Trustees (AIST)** has today urged all Federal Parliamentarians to support tax changes to superannuation that improve retirement outcomes for low income earners, including women.

**AIST Executive Manager, Policy and Research, David Haynes**, said of the super tax changes in the legislation introduced into Parliament yesterday, the Low Income Super Tax Offset (LISTO) is the most critical, impacting on more than 3 million Australians, or about 20% of fund members.

“Without support for this measure, more than three million low income Australians, of which nearly two thirds are women, will be paying more tax on their super than their take home pay from next July,” Mr Haynes said. “The LISTO is an equity measure that is fundamental to the integrity of the super system and it is therefore essential that this measure is legislated and not caught up in the political crossfire.”

Other key super tax measures in the bill include:

- Transfer balance cap, which limits how much can be transferred into retirement phase to \$1.6 million – estimated\* to impact less than 1% of fund members;
- Concessional superannuation contributions, which reduce annual cap to \$25,000 – estimated to impact around 3.5% of fund members;
- Reduction of Division 293 income threshold to \$250,000 - estimated to impact 1 % of fund members;
- Reduction of annual Non-Concessional cap to \$100,000 – estimated to impact less than 1% of fund members;
- Deduction of personal contributions –presently only available to the self-employed.

“While important and welcome, the other tax measures are less significant in terms of their impact on individual Australians than the LISTO, which will boost the super of low income earners by up to \$500 a year,” Mr Haynes said. “Based on Treasury estimates, the impact of the LISTO on fund members is nearly 20 times that of nearly all the other tax measures.”

\*Based on Treasury estimates as at September 2016

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***AIST is the peak industry body for the \$700 billion not-for-profit super sector which includes industry, corporate and public sector funds.***