Media release



New super changes will improve outcomes for low income earners, particularly women

The Australian Institute of Superannuation Trustees (AIST) today welcomed the passage of the Government's super tax reform package through both houses of Parliament.

AIST CEO Tom Garcia, said the new measures would help make super fairer and more sustainable and their clear passage through Parliament would help instil confidence in super.

"While the industry still has some work to do to successfully implement these changes, working Australians can now plan their retirement with more certainty about the rules," Mr Garcia said.

In particular, the Low Income Super Tax Offset (LISTO) - which effectively replicated the existing measure of support for low income earners, which is due to expire next year - would ensure that low income earners do not pay more tax on their super than their take-home pay and continue to receive an annual boost to their super of up to \$500, he said.

"The LISTO – which impacts on more than 3 million Australians – is a critical equity measure that is fundamental to the integrity of the super system," Mr Garcia said. "We are pleased to see all Parliamentarians recognise the need to improve retirement outcomes for low income earners, many of whom are women."

The new measures include:

- Low Income Super Tax Offset will provide a super boost of up to \$500 a year for those earning less than \$37,000 – estimated to impact on more than 3 million workers.
- 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
- 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;
- The ability for individuals with super balances below \$500,000 to make 'catch up' concessional contributions.

*Estimates are from Treasury

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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.