

**Wednesday 3 May**

### Recommendations on unpaid super will improve retirement outcomes: AIST

The **Australian Institute of Superannuation Trustees (AIST)** has welcomed Senate Committee recommendations on unpaid super to ensure all Australians are receiving their full superannuation entitlements.

**AIST CEO Eva Scheerlinck** said AIST supported all of the 32 recommendations made in the [Senate Economics References Committee report, \*Superbad – Wage theft and non-compliance of unpaid Superannuation Guarantee\*](#), and called on the Government to prioritise their implementation.

“Superannuation is a key component of an employee’s remuneration package and these recommendations will help ensure that appropriate consumer protections are in place,” said Ms Scheerlinck.

Ms Scheerlinck said AIST was particularly pleased to see recommendations for the removal of the \$450 monthly income threshold. Under current legislation, employers are not obliged to pay the Superannuation Guarantee if the employee is paid less than \$450 a month from a single employer.

AIST research\* shows that as many as one in five women currently have a job that pays less the \$450 a month. Of this cohort, almost half do not receive super.

“Removing the threshold will improve the retirement outcomes of many low income earners, particularly women working part-time,” Ms Scheerlinck.

AIST also welcomed recommendations requiring super to be paid at least monthly and improving pay slip reporting to include super actually paid rather than just benefits accrued.

“Improved payslip reporting is long over-due and will help employees keep better track of their super payments by providing them with the ability to check that their super has actually been paid into their fund.”

Ms Scheerlinck said that improving the rules around unpaid superannuation will also lead to a more level playing field for employers.

“Non-payment not only affects workers but also impacts on the competitive landscape of those businesses who are do the right thing,” said Ms Scheerlinck. “These recommendations will ensure the minority of employers who do not pay super don’t gain an unfair advantage.”

Key recommendations in the report include:

- Amending the SGA Act to remove the \$450 threshold on SG eligibility and the loophole that allows voluntary contributions to count towards an employer’s SG obligation;
- Ensuring superannuation funds have the appropriate arrears process in place;
- Reviewing and prioritising ATO resourcing for compliance activities;
- Requiring SG to be paid at least monthly;
- Reviewing the definition of Ordinary Time Earnings for the purpose of SG calculations;
- Extending Single Touch Payroll to all businesses;

- Amending the Fair Work Regulations to ensure that payslips reflect earnings base for SG, all voluntary contributions due, compulsory SG due and all amounts actually paid.

\*Based on an Essential Media poll conducted for AIST in February 2017 based on 1,014 respondents.

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***AIST is the peak industry body for the \$700 billion profit-to-member super sector which includes industry, corporate and public sector funds.***