

Low income earners mustn't be denied a dignified retirement

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Allowing low-income earners to opt out of superannuation could result in an estimated 2 million Australians currently in the workforce being significantly worse off in retirement, **The Australian Institute of Superannuation Trustees (AIST)** said today.

AIST's executive manager policy, David Haynes said such a move – flagged in the media today - would be a significant backward step in terms of the long-term fiscal sustainability of the nation's retirement income system and the ability of future generations of taxpayers to fund the Age Pension.

"The long term benefit of even small amounts of super – both for individuals and our nation's economic health - shouldn't be underestimated," Mr Haynes said. "Super is not the solution to plugging Budget holes – it's about improving retirement outcomes for all Australians and that includes those on low incomes."

Mr Haynes said allowing low income earners to opt out of super would also impact heavily on the retirement outcomes of part-time workers and women who currently retire with about half the super of men.

"A little bit of super goes along way, just ask any recent retiree," Mr Haynes said. "It doesn't matter if you are a full age pensioner, a part pensioner or a self-funded retiree, every extra dollar of super makes a difference."

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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.