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\$59 million in super saved by abolishing contribution restrictions

Unions have won the abolishment of the \$450 threshold for superannuation contributions, which took years of campaigning and will now stop \$59 million being withheld from the superannuation of low paid workers every year.

Women – who make up 63 per cent of the workforce who earn under \$450 a month from a single employer will benefit most from the change. One in three women currently retire without any superannuation and women over 55 are the fastest growing group in Australia becoming homeless.

This is a great step towards ensuring financial security in retirement for all Australians but much more needs to be done. To protect worker retirement the government must ensure their commitment to increasing the superannuation guarantee to 12 per cent. Superannuation must also be paid on parental leave to further close the gender retirement gap.

Quotes attributable to ACTU Assistant Secretary Scott Connolly:

“Removing the \$450 threshold is a critical step in closing the gender superannuation gap, which sees women retiring with half the savings as men and 40 per cent of retired single women living in poverty.

“This is long overdue, and while the unions were fighting hard for it for years, consecutive Coalition governments allowed millions of dollars in superannuation to be lost.

“Poor retirement savings are directly related to insecure work and gig work, with some workers not being paid super at all under the \$450 restriction despite working multiple jobs. Superannuation must be paid on every dollar earned.”

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