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Palmer deal on mining tax will slash retirement savings of millions of Australians

Clive Palmer and Tony Abbott's disgraceful deal over the mining tax repeal will cut the retirement savings of millions of Australians.

ACTU President Ged Kearney said Mr Palmer's back down on the Low Income Super Contribution (LISC) and Superannuation Guarantee targets the lowest income earners.

"The low income super contribution helps boost the retirement savings of almost 3.6 million workers who earn \$37,000 per year or less – including 2.2 million women," said ACTU President Ged Kearney.

"By supporting Tony Abbott to abolish the LISC in 2017, Clive Palmer is helping cut the retirement savings of half of Australia's female workforce."

The superannuation accounts of the highest paid workers with 30% tax concessions will be left untouched, while the lowest paid workers will be penalised for saving for their retirements

"Scrapping the LISC means millions of the lowest paid workers in Australia will now pay more tax on their super contributions than they do on their wages - and be the only workers who do," Ms Kearney said.

More than eight million workers will be worse off by Tony Abbott and Clive Palmer's deal to delay increases to superannuation.

The average 25-year-old worker would have gained an extra \$143,000 in their retirement savings by increasing the Superannuation Guarantee from 9% to 12% on the original timetable. This delay of seven years will cost workers thousands of dollars.

"It would have delivered greater financial security for workers, addressed the problems of an ageing population, and supported the economy with investment in national infrastructure and jobs – but Tony Abbott and Clive Palmer disgraceful deal scraps all of that."

The average 25-year-old worker would have gained an extra \$143,000 in their retirement savings by increasing the Superannuation Guarantee from 9% to 12%.

"This is particularly important for low to middle income earners, especially women whose careers were interrupted while they were raising children," said Ms Kearney.

"Australian Unions won't stand by while Clive Palmer teams up with the Abbott Government to attack the Australian way of life, we'll fight so hardworking Australians get a fair go.

"Tony Abbott needs to tell Australian workers when he will reform superannuation tax concessions so that high income earners pay their share, instead of attacking the only superannuation reforms that actually gave low and middle income workers a fair go."

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