



## What are the proposed changes to superannuation?

The Labor Government is moving to boost the level of super by:

1. Increasing the compulsory Superannuation Guarantee (SG) from 9% to 12% over six years from 1 July 2013 to 1 July 2019.
2. Cutting taxes on super contributions for low income workers.
3. Banning commissions on financial advice & forcing improvements to the management of super so that workers, especially those in commercial super funds, pay less of their super in fees.
4. More flexible superannuation contribution rules for people aged over 50 and removing the age limit on guaranteed contributions to deliver older workers more income.

Unions are strongly supporting these changes because:

- The changes will deliver greater financial security for workers, address the problems of an ageing population, and support the economy with investment in national infrastructure and jobs.
- They represent the biggest improvements to superannuation since its establishment 20 years ago.

## Who will benefit from the SG increase and when?

Around 8.4 million Australians will benefit from the increase in the Superannuation Guarantee:

- The Superannuation Guarantee requires employers to contribute a minimum amount (currently 9%) of an eligible employee's ordinary time earnings to a super fund at least every quarter.<sup>1</sup>
- The SG applies to all employees — across the public sector and private sector, all industries and occupations. It doesn't matter whether you're full time, part time or casual, however you do need to be earning \$450 or more (before tax) from at least one employer in a month to be eligible.<sup>2</sup>
- Under the Government's proposed changes, all employers will be required to increase the amount of superannuation according to the following timetable:

From	SG rate (%)	From	SG rate (%)
Current	9	July 2016	10.5
July 2013	9.25	July 2017	11
July 2014	9.5	July 2018	11.5
July 2015	10	July 2019	12

- Workers that already receive more than 9% superannuation from their employer and contractors should contact their union about the specific impact of the SG for them.

<sup>1</sup> Contact your union on how to calculate 'ordinary time earnings' of if you are unsure your super is being paid correctly.

<sup>2</sup> If you're under 18 you must also work more than 30 hours a week to be entitled to super. If you're a contractor paid wholly or principally for your labour, you're considered an employee for super purposes and entitled to SG contributions the same as an employee. Contact your union or industry super fund if you are unsure of your eligibility.

## A super history

*Twenty years ago superannuation became a right for all Australian workers thanks to the campaigns fought by unions and their members.*

*Unions also played a leading role in establishing 'industry super funds' — these are low cost, not-for-profit superannuation funds dedicated to putting the interests of members first.*

*Australia's superannuation is now the envy of the world.*



## Who will benefit from reduced taxes on super contributions?

Around 3.5 million low income workers, particularly part-time workers and women, will benefit from reductions to the tax on super contributions.

Currently, it is unfair that there are 3.5 million Australians on lower incomes that don't get a tax break on their super contributions compared to higher income workers.

This new measure will provide a superannuation contribution of up to \$500 annually for individuals on adjusted taxable incomes of up to \$37,000.

The amount will be paid into a superannuation account of an individual to directly boost their retirement savings.

## What will the changes mean for my retirement?

The SG increase and super tax cuts will mean a \$500 billion boost to workers' retirements by 2035, with:

- An 18 year old worker on average wages \$205,000 better off
- A 30 year old worker \$108,000 better off
- A 40 year old worker \$56,000 better off.

Women on lower incomes will be particularly better off. The changes will boost the superannuation of 2.1 million women earning less than \$37,000 by \$550 million in 2012-13 alone.

- A 30 year old woman on average wages will have an extra \$108,000 — or \$2,900 each year of her retirement.

To find out how much you stand to gain from the changes go to the calculator at [standupforsuper.com.au](http://standupforsuper.com.au)

## This sounds too good to be true, what's the catch?

These changes are proposed by the Gillard Labor Government and are yet to be passed by Parliament.

- The cost of the superannuation increase is being paid for by the new mining tax (MRRT). So the changes to super depend on Parliament also passing the mining tax package.
- It is important that the Independents and The Greens join with the Labor Government to support the changes through Parliament, or else they simply won't happen.
- The Liberal-National Coalition is opposed to the changes and under the previous Coalition Government of John Howard there was no increase in the Superannuation Guarantee since 1992.

## How can I help make sure all workers benefit from more super?

- Sign the petition at [standupforsuper.com.au](http://standupforsuper.com.au)
- Talk to your union about including more super in your next Collective Agreement
- Maximise your super by being in an Industry SuperFund. They are run only to benefit members, have low fees and don't pay commissions to financial planners

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**STANDUPFORSUPER.COM.AU**

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