

Tuesday 23 July 2019

Cormann commits to super guarantee increase timetable

The ACTU welcomes the commitment from Finance Minister Mathias Cormann that the Morrison Government will not delay the established timetable for increasing the superannuation guarantee to 12 per cent by 2025/26.

In senate question time yesterday, Minister Cormann responded to a question from Senator Gallagher; “Minister, can you rule out any changes to the timetable for the legislated increases to the superannuation guarantee as they are contained in the Superannuation Guarantee (Administration) Act 1992?”

To which Minister Cormann replied “Yes.”

For an individual earning \$60,000 per year, the increase will mean an increase in retirement savings from \$299,000 to \$368,000, and a corresponding increase in retirement income from \$38,900 per year to \$40,950 per year.

Increasing the super guarantee is essential to ensuring a comfortable and secure retirement for generations of Australians. Our super system is the envy of the world, but we must ensure that it stays fit for purpose.

Other reforms are urgently needed, including eliminating super theft, abolishing the \$450 per week threshold for contributions and closing the gender gap on super.

Quotes attributable to ACTU Assistant Secretary Scott Connolly:

“The work of making sure all Australians have a secure and comfortable retirement is ongoing. Continuing the legislated super guarantee timetable is essential for adequacy in retirement.

“The continued freeze on the increase of the guarantee has exacerbated the gender gap on super which currently stands at 47 per cent at retirement and has caused more women to retire in poverty.

“The current rate was frozen five years ago and we welcome Minister Cormann’s commitment to the established timetable, which will see increased contributions from 2021/2022.

“Increasing the superannuation guarantee will mean thousands of dollars more in retirement income for someone on the median wage, this is a real difference in quality of life.

“We urge the government to act immediately on other reforms to the super system, including eliminating super theft, abolishing the \$450 per month threshold for super contributions and closing the massive gender gap on super balances by ensuring that super is paid on every dollar earned.

ENDS

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