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Payday super a critical step towards stopping super theft and improving retirement outcomes for workers

The Albanese Government's announcement that it will require super to be paid on payday will significantly reduce superannuation theft and grow workers' superannuation balances, directly improving Australians' financial security in retirement.

Unpaid super costs 2.8 million Australian workers a total of \$5.1 billion a year, particularly impacting younger workers, those in insecure work, women, and migrant workers.

The average affected worker has \$1,800 in super stolen per year or \$30,000 by retirement, according to the Super Members Council.

The Government's mandate that all employers pay super at the same time as wages is a welcome step in stopping super theft and ensuring that workers can retire with dignity.

Payday super will deliver for all Australian workers by allowing them to reap the benefits of compound interest to significantly grow their retirement savings and by giving them greater oversight over their superannuation.

Payday super will also benefit the one in four Australians who have their super stolen by making it harder for bosses doing the wrong thing to get away with it.

The ACTU urges the Government to introduce legislation urgently to ensure this important change for workers.

Quotes attributable to ACTU President, Michele O'Neil:

"Payday super is a critical requirement for improving workers economic security in retirement. By aligning super payments with payday, workers will retire with thousands of dollars more in superannuation.

"When super is not paid regularly, the money is kept in employers' accounts and that means workers lose large compound interest returns on their money.

"Superannuation is workers' retirement savings the cash of employers. When workers earn superannuation, they should be paid it at their next pay day.

"Payday super will put more super, more regularly, into more workers' accounts and directly improve the retirement outcomes of all Australian workers.

"Every dollar in workers' super accounts is essential to ensuring that they can afford to retire in dignity. More regular employer super payments will give workers greater oversight over their money, reduce super theft and deliver higher compound interest returns for workers.

"Many responsible employers already pay super on payday. However, this change will make a difference for those workers whose employers hold onto workers money and still think of super as an optional extra."

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