

Time for change in women's super



Written by Melanie Toye

A call for policy change for women's super to be on the same par as men. Recently Pauline Vamos, CEO of the Association of Superannuation Funds of Australia (ASFA) spoke at the ASFA 2014 National Conference about the sustainability of the system in a time of disruption.

With the reality of women living longer and working less in the workforce due to raising families etc., the result in lesser savings in retirement is alarming.

"Even more disturbing is the fact that almost one in three women have no superannuation at all. Policymakers need to urgently address the issues women have when it comes to their super, otherwise, we will have a growing number of women living in poverty when they retire," said Vamos.

Vamos adds, "At present, women retire with around half as much as men in their superannuation account, leaving them drastically short of the savings required to live a comfortable retirement."

In the ASFA framework, the solutions for a better system includes three steps to a better retirement for women:

- 1. Remove the \$450 a month threshold for the Superannuation Guarantee (SG)**
Currently around 250,000 Australians miss out on around \$75 million worth of superannuation due to this threshold, particularly women who tend to work in casual or part-time jobs, often for more than one employer at a time. Removing it would provide a great boost to their retirement savings.
- 2. Apply the SG to all substantive income replacement payments**
Including SG in paid parental leave in particular, has the potential to add thousands of dollars. For e.g. six months of SG applied to the paid parental leave of a 35-year-old woman earning \$50,000 could add an extra \$10,000 to her final super balance.
- 3. Allow employers to contribute more to the super accounts of women**
The *Anti-Discrimination Act* should be amended to ensure employers can pay their female employees more superannuation, without being in breach of the Act.

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