

International Women's Day 2019

Time to close the retirement savings gap

This International Women's Day, three leading superannuation groups are calling on policy makers to help close the retirement savings gender gap.

According to the Australian Bureau of Statistics, women are retiring with around 40 per cent less superannuation than men – despite thirty years under a compulsory system.

The reasons are many. Women are more likely to work part time and in low-paying sectors, and the gender pay gap, while improving, continues to fester.

The single biggest factor, however, is that women are more likely to take breaks throughout their careers to raise children and provide other types of unpaid care.

Industry Super Australia consumer advocacy head, Sarah Saunders, says narrowing the gap requires policy interventions that better reflect these realities.

“Adding super to parental leave and scrapping the \$450 threshold which impacts part time workers, would make a big difference to women's retirement savings,” said Saunders.

The Labor Opposition has committed to both ahead of the election.

Women in Super chief executive, Sandra Buckley, who has long called for an annual means-tested superannuation boost, says reforms could go further.

“It's not rocket science! The current superannuation system from 1992 is outdated. It does not reflect the way Australians engage in work today and can easily be changed into a fairer system for women – in fact all Australian low-income earners – with our five point “Make Super Fair” policy plan including no further delay to the increase of the scheduled superannuation guarantee from 9.5% to 12% and additional annual government contribution for low income earners,” said Buckley.

Australian Institute of Superannuation Trustees (AIST) chief executive, Eva Scheerlinck, says its unacceptable that working women are still retiring into poverty.

“There are many women, including those who have been in paid employment for most of their working lives, who are living in poverty in retirement. We need a super system that addresses the unique challenges that women face when it comes to paid work and we must ensure that governments stick to the timetable to take super compulsory contributions to 12%,” said Scheerlinck.

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Industry Super Australia provides policy, research and advocacy on behalf of 16 not-for-profit Industry SuperFunds who are the custodians of the retirement savings of six million Australians

Women in Super is a national advocacy and networking group for women employed in superannuation and advocates to improve women's retirement prospects and access to superannuation.

AIST is the peak industry body for the \$700 billion not-for-profit super sector which includes industry, corporate and public sector funds.

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