

Victorian workers to lose billions if the super increase is scrapped

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Victorian workers would lose \$3.6 billion from their retirement savings a year if politicians ditch a promised increase to their super rate, new modelling reveals.

Workers in the electorates of Melbourne and the western suburbs electorate of Lalor would both lose more than \$144 million from their super accounts.

The Super Guarantee rate is legislated to rise to 12 per cent by the middle of 2025. Industry Super Australia (ISA) analysis shows that if the government breaks its promise and super stays at 9.5 per cent, by 2025 the average Victorian worker would have already lost \$1,640.

Conservative modelling shows that a 30-year-old worker earning an average wage would stand to lose more than \$85,000 in extra super by the time they retire, if the super guarantee doesn't increase to 12 per cent as promised.

For an average couple, more detailed modelling* shows cutting the super guarantee increase would deprive them of up to \$200,000 in super by the time they retire.

Dumping the increase cuts about 15 per cent more buying power per household at retirement – money that could be the difference between a dignified retirement and one just scraping by.

It is this extra money that will give hardworking Australians the power to choose the retirement they want. It can mean the heating stays on in winter, grandchildren can be visited interstate, the occasional dinner out or other financial responsibilities are met.

Independent research commissioned by ISA shows close to 90 per cent of Australians support the super guarantee increase.

A YouGov survey also shows that Australians are sick of politicians shifting the goal posts on super, with six in 10 Australian saying Canberra's tinkering with the superannuation system must stop.

Up to a dozen coalition backbenchers want to stop workers' super going up and the increase is being considered by the government's Retirement Income Review.

Workers should be concerned if their local MP is part of a group who plan to deprive them of money they are entitled to.

Comments attributable to Industry Super Australia Chief Executive Bernie Dean

"Unless the super guarantee rate is increased Australia's ageing population could flood the aged pension, creating a fiscal time bomb we all would pay for."

"Dumping or delaying the super rate increase will cost Victorian workers billions and for many the chance at a retirement of their choosing."

"Workers around the country will be left struggling to make ends meet or will be forced to work until they drop. Their message is clear, they are sick of politicians tinkering with their super."

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