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### Coalition urged to provide certainty on proposed low income super measure: AIST

The Australian Institute of Superannuation Trustees (AIST) today called on the Coalition to pledge that it won't repeal the proposed low income super government contribution if it wins the next election.

AIST CEO Fiona Reynolds said the low income super contribution was an important equity measure that would deliver up to \$500 a year extra in super for individuals earning \$37,000 or less.

"That sort of saving is going to make a big difference to those who might otherwise struggle in retirement," said Ms Reynolds. "Importantly, individuals do not need to make any extra contributions to benefit from this measure. It will be of great value - not only to many full-time workers - but also to part-timers and women who take career breaks to raise children."

The low income super contribution is part of the Super Guarantee (Administration) Amendment Bill, which was introduced into Parliament last week. The Bill also requires the Super Guarantee (SG) to rise gradually to 12 per cent by 2019/20.

AIST's call follows an announcement by the Coalition on the weekend that it will not roll back superannuation increases promised under the mining tax deal if re-elected.

Ms Reynolds welcomed the Coalition's announcement on 12 per cent super, saying the decision would provide much-needed certainty for all working Australians as well as employers.

"This decision shows that the Coalition is in tune with the majority of the Australian public who support lifting the Superannuation Guarantee (SG) from 9 to 12 per cent. We hope that the Coalition takes the next step to ensure a better deal in retirement for low-income earners," Ms Reynolds said.

The Government estimates that 3.5 million Australians (60 per cent being women) will benefit from the low income super contribution, collectively to the tune of \$830 million in 2012/13. Together with the 12% reform, the two measures would see the effective SG rate for low income earners jump to nearly 20 per cent.

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***AIST is the peak industry body for the \$450 billion not-for-profit super sector which includes industry, corporate and public sector funds covering the super interests of nearly two-thirds of the Australian workforce.***