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Make the most of the co-contribution scheme and potentially be \$85,000* better off in retirement

The Australian Institute of Superannuation Trustees is urging those who qualify to make the most of the Government's superannuation co-contribution scheme by making a voluntary contribution to their super before the June 30 cut-off next Wednesday.

"Time is running out for people to benefit from the co-contribution, and even more people are eligible this year because of the higher income thresholds", said **AIST CEO Fiona Reynolds**.

The low-income threshold to receive the full co-contribution rate of \$1000 has been raised from \$30,342 in 2008-09, to \$31,920 this financial year.

Under the scheme, if you're eligible and you earn less than \$31,920, the Government matches voluntary contributions, dollar for dollar up to a maximum of \$1,000. Those earning between \$31,920 and \$61,920 are eligible for a reduced contribution.¹

"The co-contribution is one of the best ways for low-income earners and part-time workers to boost their superannuation balances," Ms Reynolds said. "When it comes to investing for the future, this has got to be one of the best deals around. There aren't many investments where the government matches your contribution dollar for dollar".

According to AIST research, participation in the co-contribution – which could be worth an extra \$85,000 in retirement² – has proven popular with older female workers, many of whom have low super balances.

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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 2/3 of the Australian workforce.

¹ Those earning between \$31,920 and \$61,920 are eligible for a reduced co-contribution; for every \$1 earned over \$31,920, the co-contribution rate decreases by 3.33 cents.

² Based on a 30 year old, participating fully in the co-contribution scheme, with an existing balance of \$10,000, earning \$31,920 per annum, assumed earning rate of 6% before management costs and tax, contributing \$1,000 after tax annually until retirement at 65.