



Women and Superannuation: Robyn Nolan NCWA President

NCWA is calling on the Australian Government to

- 1. Remove the \$450 a-month threshold on before -tax income with a single employer, below which the superannuation guarantee is not paid.**
- 2. Include superannuation with the government's paid parental leave scheme**

Women generally live longer than men. Australia's superannuation system disadvantages women as it is linked directly to earnings. Women are more likely to work in casual and part-time positions during their lives, their income may not meet the minimum threshold (\$450 a month threshold on before-tax income with a single employer) before the superannuation guarantee is paid.

The review into retirement incomes recommended the removal of the \$450 a month threshold on before -tax income with a single employer. Based on 2019 data the review found this threshold affected 197,000 women compared with 114,000 men. The review also stated that the original reason for the \$450 a month threshold was to reduce the administrative burden on employers. That reason has now diminished with the digitalisation of payrolls and measures have also been taken to reduce the impact of fees and insurance premiums on small balances, which was another reason for the threshold. The exemption means affected workers receive less remuneration for the same hour of work as an unaffected colleague.

Removing the threshold would have an impact on narrowing the retirement income gap between some women and men.

Currently superannuation is not paid on parental leave. It is paid on any long services leave an employer takes during employment, sick leave and annual leave. It should also be paid on the government parental leave. The Callaghan review recommended paying superannuation on parental leave. It stated that 'it would reduce to a small degree the impact of career breaks taken by women to raise children'. In the NCWA submission to the Senate Standing Committee on Community Affairs Paid Parental Leave Amendment (Flexibility Measures) Bill 2020 inquiry which NCWA supported it called for an amendment to have superannuation included in the government parental leave payment for eligible recipients of paid parental leave and has supported such a position since the government paid parental leave scheme was first introduced.

NCWA is asking for your support for both these suggested changes -they will have a small benefit and improvement on Women's Economic Security.