



## ADEQUACY

### How Much Super Is Enough?

ASFA and Westpac have developed a Retirement Living Standard, stating that to achieve a 'comfortable' lifestyle, retirees would need \$32,800 for a single person or \$43,350 for a couple per year<sup>1</sup>. This comfortable lifestyle includes things like a glass of wine a day, running household appliances and an occasional holiday.

The aged pension is currently only \$12,384 for a single person or \$20,680 for a couple per year, well below what is needed for even a modest retirement. Super is needed to supplement the pension in retirement.

The current superannuation guarantee of 9% is clearly not enough. Increasing the level of contributions to 15% is essential for Australian workers to have more comfortable retirement.

### Strategies For Unions

It is highly unlikely that the current government will legislate to increase employer contributions. In fact following their election in 1996, the Coalition government abandoned the previous Labor's government's plan to lift minimum contribution rates to 15%.

ACTU Congress 2003 set a goal to achieve an additional 1% superannuation through bargaining by 2006.

Unions are working towards having superannuation included in their bargaining strategy, which includes increasing contributions from 9% to 15%, often with mandatory or voluntary employee contributions and having an industry fund named in agreements.

There have already been numerous successful campaigns for increased super contributions.

For More Information:

Call 1300 362 223

or log on to

[www.actu.asn.au/super](http://www.actu.asn.au/super)

Other strategies for increasing contributions could include:

- Encouraging the Government to enable higher contributions through changes to the taxation arrangements that apply to superannuation, or through direct contributions.
- Removing the exemption from the superannuation guarantee of employees earning less than \$450 per month, together with those under 18 years working fewer than 30 hours per week.

## **Make More From Your Super**

Any extra money that you can invest in superannuation can help make your retirement much more comfortable. The earlier you start making contributions to your super and consolidating any super accounts, the more time your super has to work harder for you. This is because of compound interest. This means that any interest credited to your account also earns interest – a snowball effect.

Extra contributions to your super can be made through:

- Salary sacrifice
- Voluntary after-tax contributions
- Direct debit from your bank account

For more information on your options call your super fund or the ACTU Super Hotline on 1300 362 223.

For More Information:

Call 1300 362 223

or log on to

[www.actu.asn.au/super](http://www.actu.asn.au/super)

The information provided on this website is of a general nature only. It has been prepared by Industry Fund Services Pty Ltd ABN 54007016195 AFSL 232514 without taking into account your personal objectives, financial situation or needs. You should assess your own financial situation, read the relevant product disclosure statements, and consider obtaining independent financial advice before making any investment decisions based on this information.