

MEDIA RELEASE 1 July 2022

## **Members to benefit as Superannuation Guarantee rises and the \$450 threshold finally ends**

Working Australians will benefit from employer Superannuation Guarantee contributions increasing from 10% to 10.5% from 1 July 2022, as well as the \$450 threshold for compulsory superannuation contributions being removed.

AustralianSuper Group Executive Strategy, Reputation and Corporate Affairs Sarah Adams, said the changes were great news for members.

‘Increasing the Superannuation Guarantee is a key reform that will improve the long-term financial security of members,’ Ms Adams said.

‘Increasing the Superannuation Guarantee, along with the removal of the \$450 threshold, will see Australians retire with higher balances, and for some will allow them to retire earlier.’

The increase of 0.5% on 1 July 2022 is part of the legislated increases that will see the Superannuation Guarantee rate gradually rise to 12% by 2025.

Ms Adams said that with the Superannuation Guarantee rate increasing it was vital that people were in a fund with strong long-term performance and low fees.

‘As AustralianSuper grows, we will continue to use our skill, size and scale to deliver cost saving benefits to members. The Fund has delivered savings of almost \$300 million this year through the ongoing internalisation of investment, and through lower insurance and administration fees,’ Ms Adams said.

‘Now is the perfect time for people to review their personal circumstances and to ensure they are in a low fee fund that performs well over the long term.’

In other good news for members, from 1 July 2022 eligible Australians will be able to earn superannuation regardless of how much they are paid.

Until recently, there was a requirement to earn at least \$450 a month before earning superannuation. The removal of the \$450 threshold is good news for people working several jobs or work part-time.

‘The removal of the \$450 threshold is particularly significant for low-income, casual and part-time workers.’

Until now, the \$450 minimum earnings threshold meant up to 300,000 Australians missed out on super – the vast majority of whom are women<sup>1</sup>, putting them at a disadvantage when it comes to saving for retirement.

‘AustralianSuper advocated for this change for many years.’ Ms Adams said.

'If you're a casual or part-time worker, you'll now get paid the superannuation you deserve, and this will help build retirement savings.'

The superannuation guarantee increase is planned as:

DATE	RAISED SG
1 July 2021	10%
1 July 2022	10.5%
1 July 2023	11%
1 July 2024	11.5%
1 July 2025	12%

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### About AustralianSuper

AustralianSuper manages more than \$261 billion in members' retirement savings on behalf of more than 2.7 million members from more than 398,000 businesses (as at 31 March 2022). One in 10 working Australians is a member of AustralianSuper, the nation's largest superannuation fund. AustralianSuper's Balanced option has generated a 10-year rolling return of 9.84% per annum to 31 March 2022, making it one of the top three performing funds in Australia over the long-term.<sup>1</sup> AustralianSuper's fees are among the lowest in the industry.<sup>2</sup>

<sup>1</sup> AustralianSuper Balanced investment option as compared to the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) to 31 March 2022. Investment returns are not guaranteed. Past performance is not a reliable indicator of future returns.

<sup>2</sup>Chant West Super Fund Fee Survey at 31 December 2021. Based on \$50,000 invested in the AustralianSuper MySuper Balanced option.

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1. The Treasury, 'Retirement Income Review', July 2020.