



FACT SHEET

SUPERANNUATION — RAISING THE SUPERANNUATION GUARANTEE AGE LIMIT FROM 70 TO 75

Measure description

This measure raises the superannuation guarantee (SG) age limit from 70 to 75.

- Workers aged 70 to 74 will be eligible to have SG contributions made on their behalf for the first time.
- The new SG age limit will now match the age limit for voluntary and self-employed contributions.

This measure will commence from 1 July 2013.

Rationale

Currently, the SG only applies to people aged up to 70. In contrast, employers can make voluntary deductible superannuation contributions for employees under 75, and self-employed people can make deductible contributions until they turn 75.

- Individuals aged from 70 to 74 are less likely to be able to negotiate voluntary superannuation contributions with their employers.

Increasing the SG age limit will provide an incentive for mature workers to remain in the workforce.

Key facts

Around 33,000 employees are expected to benefit from this measure.

This measure will improve the adequacy and equity of the SG system.

Indicative timeline

This measure will commence from 1 July 2013, coinciding with the increase in the rate of the superannuation guarantee.