

SUPERANNAUTION DEFINED

Superannuation is a Government regulated compulsory savings scheme for members to help them save for their retirement. Superannuation law insists that employers must contribute a minimum of 9% of an employee's salary into an eligible superannuation scheme that is held and invested to help fund the retirement of the member. This is what is known as the Superannuation Guarantee scheme which was introduced in 1992 which now states that your employer must make contributions on your behalf. The ONLY exemptions to this rule apply in the event of any of the following;

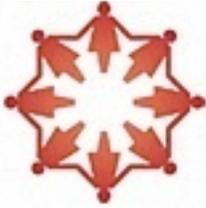
- over 70 years old
- below 18 years old and work less than 30 hours a week on a part-time basis
- performing private or domestic work less than 30 hours a week
- a member of the Reserve Forces who receives income exempt from tax
- paid less than \$450 per month
- already above the reasonable benefit limit and elect not to receive superannuation
- working outside Australia as a non-resident or working for a non-resident company outside Australia
- a foreign executive holding specific visas or entry permits

If you feel that you are entitled to superannuation and are unsure about receiving it you should discuss this with your employer or alternatively look for more information on the ATO website.

WHY WAS SUPERANNAUTION INTRODUCED?

The reality is that Australians are among the worst savers in the world with an average savings rate of only around 4% of total income. The aim of the Government in introducing such a scheme is two fold, firstly to help ensure that individuals have enough savings to fund their retirement lifestyle and secondly to reduce the pressure on the social security system to provide benefits for people who have not placed enough emphasis on saving for their retirement.

Our discussion on the reality of the retirement situation of Australians provided highlights the true need for such a system for without it we simply would not see enough people saving for their retirement and being forced into a meager living whilst placing much burden on the social security system in Australia.



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