

## 12. Superannuation

The AEU, like all unions, has a natural interest in the adequacy and safety of the retirement incomes of its women members. Why particularly women members?

Because:

1. Women live longer than men and are more likely to need formal long-term care. (Women can expect to live an extra 4 years on average and they are less likely to have spouses to care for them at home).
2. Women's total incomes over a typical working life are markedly lower than men's. On average, they work fewer hours per week for fewer years than men, and are more likely to be engaged in part time work. (ASFA Research Centre estimates that men are in full time paid work on average for 38 years prior to retirement, but women for only 20 years FTE.)
3. Women are more likely to be pushed into poverty following relationship break-up. (More and more women have to rely on their own resources in retirement, although recent changes to legislation will give divorcing women access to their husband's superannuation entitlements as part of a property settlement.)

You would think that the increase of women in the labour force over recent years would have led to an improvement in women's superannuation position. Unfortunately the increase in engagement with superannuation has come mostly from older women; participation rates for other age groups have fallen short of expectations.

Most teachers are able to access government superannuation which involves a strong component of employer contribution. Schemes vary around the states and territories, some are compulsory and some are not.

Almost the best thing that your employer can do for you is insist that you join a government superannuation scheme. It's hard to believe when you're young, money is tight and you're more interested in saving for a holiday or for a deposit on a home. But talk to any female teacher above the age of 45 years and you will realise that most of them are anxious about financial provision for their retirement.

Many older female teachers were forced out of, or had no access to, good government superannuation schemes when they had a break in teaching to have children, moved interstate or went overseas for an extended period. Now they are suffering for it! The prospect of early retirement recedes as they do those superannuation calculations. The prospect of an uncomfortably poor old age comes as a shock.

Don't be short sighted about Super. Join the scheme provided by your employer. Contribute what you can now and look to step up your contributions as you pay off other debts such as HECS or PELS. Even if you don't intend staying in teaching for ever, join the superannuation fund. Portability arrangements are improving all the time, and the chances are that you will be able to move your contributions with you to your next job.

Get advice on maximising your contributions and your employer's. Many schemes have peculiarities which should influence the percentage you decide to contribute, e.g. in some schemes the employer's contribution will step up and match your contribution up to 10% of income when you have been in the scheme for 10 years.

Particular advice also needs to be sought regarding the impact of part time work, leave without pay, salary sacrifice, etc. on your superannuation entitlement. Don't ignore Super! Make sure you are able to retire when you want to, with a comfortable income.



## What Can I Do?

### Activism around Superannuation

Ask your employer or your union's women's committee to arrange for the superannuation fund to hold a seminar especially for women in your workplace.

Advertise the seminar amongst your colleagues and remind them to attend. Place emphasis on the advertising that ensures people are aware that you do NOT have to be considering retiring to attend the super seminar and that planning for the future is something women should be doing at ANY age and at ANY career stage.

Make sure your union sub-branch/workplace meetings is aware of the seminar and can discuss/promote it to members, as well as perhaps discussing the issue of superannuation inequity at a designated meeting, to perhaps progress the issue during the next stage of enterprise bargaining – there may be particular approaches your union leadership is considering the bridge the gender gap that may need highlighting or promoting internally which your sub-branch can take on as a priority issue.

Prepare specific questions about superannuation and ask them when you attend the seminar.

#### Information sources:

An address to the *Women and Superannuation AGM*, Wellington, NZ by Susan St John, senior economics lecturer, University of Auckland .

*Women and Superannuation*, a report by Ross Clare, principal researcher, Association of Superannuation Funds Research Centre.

