

2011

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**Abolition of Age Limit on Payment of the
Superannuation Guarantee Charge Bill 2011**

EXPLANATORY MEMORANDUM

Circulated by authority of
The Hon. Bronwyn Bishop MP

Abolition of Age Limit on Payment of the Superannuation Guarantee Charge Bill 2011

OUTLINE

This Bill abolishes the age limit on payment on the Superannuation Guarantee for employees. Currently, the Superannuation Guarantee is payable for employees up to the age of 70.

As part of its election commitments, the Government pledged to amend Superannuation legislation to raise the age limit to 75 years of age.

The Coalition disagrees, and instead does not see it necessary to have any age limit at all. The current age limit set of 70 unfairly discriminates against older workers and forces them into retirement, when many want to continue in the paid workforce.

If passed, this Bill will abolish that age limit, meaning that all employees will receive Superannuation Guarantee contributions, no matter what their age is.

FINANCIAL IMPACT

The Bill will have negligible financial impact.

NOTES ON CLAUSES

The Bill abolishes the current age limit of 70 for the payment of the Superannuation Guarantee by repealing Schedule 1, Paragraph 27(1)(a) of the *Superannuation Guarantee (Administration) Act 1992*. By repealing Paragraph 27(1)(a), all references to an upper age limit are removed from the Superannuation Guarantee legislation.

This Bill, if passed, will come into effect on the day it receives Royal Assent.