

## Media release

14 September 2012

### **Opposition engages in class warfare by attacking super rebates for low income earners**

Press reports today suggest the Coalition has plans to scrap the superannuation rebate for low income earners. A recent publication by The Australia Institute '*Can the taxpayer afford 'self-funded retirement'?*' has drawn attention to the super rebates benefiting high income earners in Australia.

'When in government the Coalition turned superannuation into a rort for the rich. The forward estimates show super tax concessions will be worth \$45 billion in 2015-16. 37 per cent of that goes to the top five per cent of taxpayers' said David Richardson, senior fellow at The Australia Institute.

'Someone on \$250,000 receives a tax concession worth \$6,750 on their contributions alone. That compares with low income earners who get a rebate of up to \$500 which the Coalition wants to scrap' said Mr Richardson.

'If the Coalition wants to find savings they should be looking at the subsidies going to the top end of town—not assistance for the 3.5 million low income earners who are likely to struggle in their retirement' said Mr Richardson.

'The rebate for low income earners making super contributions is actually compensation for the 15 per cent tax on super contributions. Without that rebate many low income earners would actually face a penalty when they make super contributions' said Mr Richardson.

***A copy of [Can the taxpayer afford 'self-funded retirement'?](http://www.tai.org.au) is available to download from [www.tai.org.au](http://www.tai.org.au) under 'Publications'.***