A retirement that never comes

The impact of delays to the super guarantee increases for COVID-19 essential workers

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ACTU
australian council of trade unions

Introduction

The union movement won employer-paid superannuation in workplaces and awards through the 1970s and 1980s. This campaign culminated in the 1986 High Court case which found in favour of unions that superannuation was an industrial entitlement, and the 1986 national wage case which put non-compulsory superannuation in Awards.

The Superannuation Guarantee rate was legislated as compulsory at 3% in 1992 with the rate to progressively increase from 3% for small employers (4% where the employer's base year payroll was above $1 million) from July 1992 to reach 9% by July 2002.

In the 1995-96 Budget, the then Treasurer outlined the Keating Government's proposal to further increase superannuation contributions to 15% through both additional employee and employer contributions. This increase has proceeded in 'fits and starts', however the employer superannuation guarantee contribution reached 9% in 2002-03.

The Rudd-Gillard Government passed legislation to increase contributions slowly to 12% between 2013-2019. It reached 9.5% before the succeeding Abbott Government deferred further increases by six years, to 1 July 2021.

The superannuation guarantee rate has been frozen at 9.5% of employee earnings since 1 July 2014, and after 30 June 2021 the rate is planned to increase by 0.5% each year until it reaches 12% in 2025.

Period	Super guarantee rate
1 July 2020 – 30 June 2021	**9.50%**
1 July 2021 – 30 June 2022	10.00%
1 July 2022 – 30 June 2023	10.50%
1 July 2023 – 30 June 2024	11.00%
1 July 2024 – 30 June 2025	11.50%
1 July 2025 – 30 June 2026 and onwards	12.00%

In recent months there has been extensive debate about the merits of the legislated increase in superannuation.

This paper looks at the impact of the following (both individually and cumulatively):

- the 2014 delay in the legislated increase to the superannuation guarantee contribution,
- the proposal to further delay the superannuation guarantee increase,
- early withdrawal of superannuation which has been permitted during the COVID-19 pandemic.

We have focused on the impact of these changes for some of the workers who have become particularly critical during the COVID-19 pandemic, looking at the likely effect on their superannuation balances and retirement prospects. Many of these workers are in industries with typically low superannuation balances and so are more vulnerable than most at retirement. Many of these industries also have a high proportion of women in the workforce who already have significantly lower superannuation balances than their male co-workers. They are also working largely in physically and mentally demanding jobs where working long into their retirement is impractical – the demands of their jobs have been underlined during the pandemic.

We have used a 30-year-old worker with an average super balance of $35,000 to model these results, to demonstrate the intergenerational impact of these changes.

The evidence shows that changing the law to abandon the increase to 12% superannuation would mean a 30-year-old COVID essential worker will lose between 2.13 and 4.78 years' worth of living expenses at retirement due to the super increase delays alone depending on their industry. This grows to between 3.92 and 6.87 years for those workers who have withdrawn $20,000 of superannuation under the Early Release of Super scheme.

Compensating for this impact means one of two things for workers – either more years in the workforce, or a retirement on limited income, with earlier reliance on the aged pension.

There have been many costs to the community due to the COVID-19 pandemic but this paper argues the greatest cost will be a generation of Australians who will be forced to either work into their 70s in order to have sufficient savings in retirement, or live in poverty.

To underline the significance of this cost, our analysis shows that a police officer or paramedic planning to retire at 67 years of age stands to lose around one third of their retirement years – and this sacrifice would affect the healthiest, best-quality part of those years.

Put simply, the delays to scheduled super increases will cost many Australians their best years in retirement.

Essential services and workers in the COVID-19 pandemic

The COVID-19 pandemic has forced governments to rethink the definition of an “essential worker” and given the whole community an opportunity to reassess the value of different types of work and the role that they play in our lives.

Prior to COVID-19, the definition of an essential worker was relatively narrow. A report by PwC in 2019 looked at the shortage of ‘essential workers’ in Australian cities and defined these workforces as: teachers, nurses, ambulance officers, paramedics, fire and emergency service staff. [1]

While some state legislation contains explicit definitions for essential services, the pandemic has shown the importance of not being bound by such a prescriptive approach. Successful and adept handling of emergencies requires a degree of flexibility – the very nature of “essential” may vary depending on the nature of the crisis and the required response.

Clearly nurses, doctors, utilities workers, emergency services workers and other traditionally defined essential workforces have been critical to our response to the crisis. But other workforces have also proven essential, such as aged care workers, shop assistants and call center staff, who have all featured prominently in the response to the crisis.

Life simply couldn’t have carried on without the person serving you at Coles, Woolworths or IGA, and the supply chains that carried goods there.

Call centres have been critical in the delivery of information in each state and territory. COVID hotlines have been set up at speed nationally, alongside massive advertising campaigns.

These are front line workers who, as a community, we have asked to keep working, often in harm’s way while the broader community has self-isolated.

State and territory government have provided descriptions of what they regard as essential (or non-essential) ‘gatherings’ or services during the pandemic. These have usually included supermarkets, service stations, allied health (pharmacy, chiropractic, physiotherapy, psychology, dental), banks, freight, logistics and home delivery.

The Victorian Government’s Roadmap to Reopening provides a list of workplaces by industry which have been allowed to remain open even in Stage 4 restrictions. These include a wide range of hospitality and accommodation services such as hotels and caravan parks, emergency accommodation for homeless people, ridesharing and taxi services and a range of other professions that have not previously been defined as essential.

Almost without exception, these professions are characterised by relatively low income and often insecure work. These industries generally also see a higher proportion of women in the workforce. Due to the wages set for these trades and professions, these workers will most likely rely on a combination of superannuation and the pension to support their retirement.

1 *The Deposit Gap Dilemma: The Impact on Key Workers*, Report prepared by PWC Australia

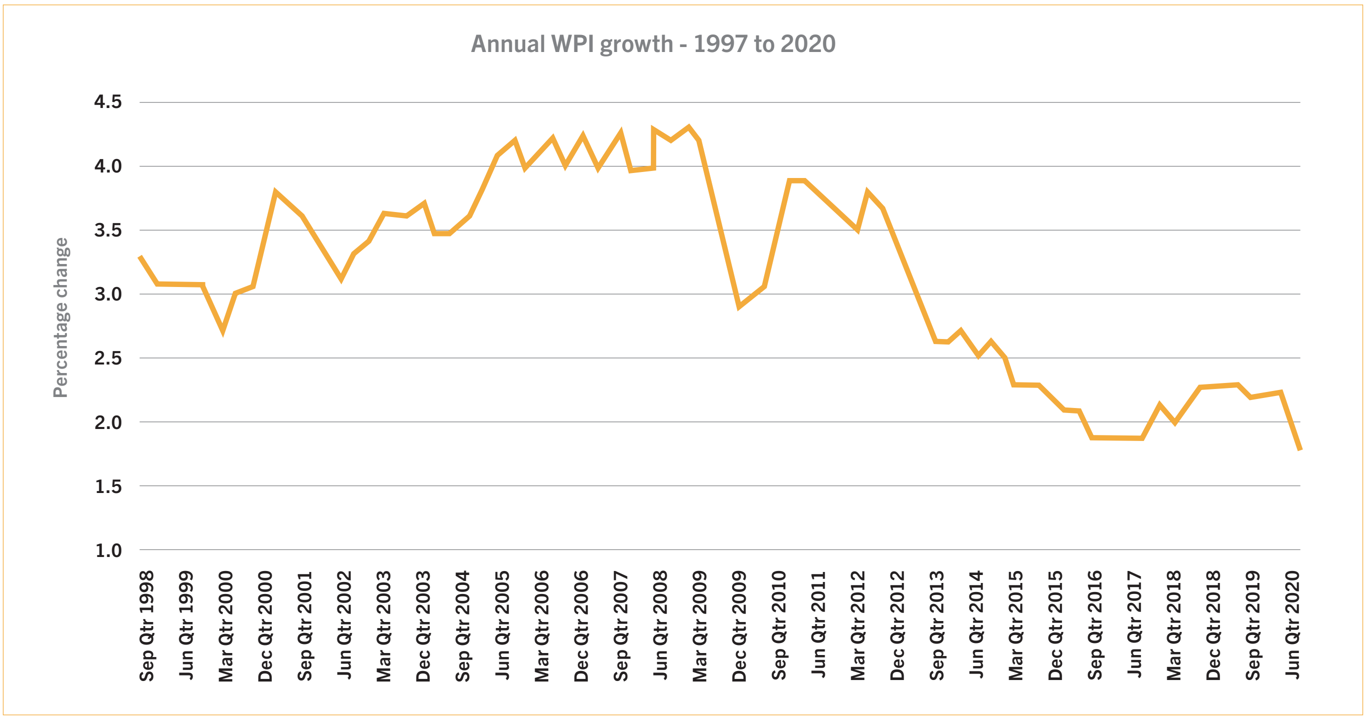
Impact of the 2014 delay

The election of the Abbott Government brought the introduction of legislation which delayed the superannuation guarantee increasing beyond 9.5% until 2021, overturning the scheduled incremental increase to 12% by July 2019. It is instead now slated to rise by half a percent from 2021, hitting 12% in 2025.

The delay was justified by then Prime Minister Tony Abbott, who said "Money that would otherwise be squirrelled away in superannuation funds will instead be in the pockets of the workers of Australia". He argued that in lieu of superannuation increases, employers would pass those savings on to workers in the form of higher wages.[2]

Since then, wages have stagnated to their lowest level this century. In fact, at every point since 2014, annual average wage growth has been lower than any period between 1997 and 2014, which covers the period of the global financial crisis.[3]

This suggests that the claim that employers would pass on superannuation delays as higher wages has not come to fruition.

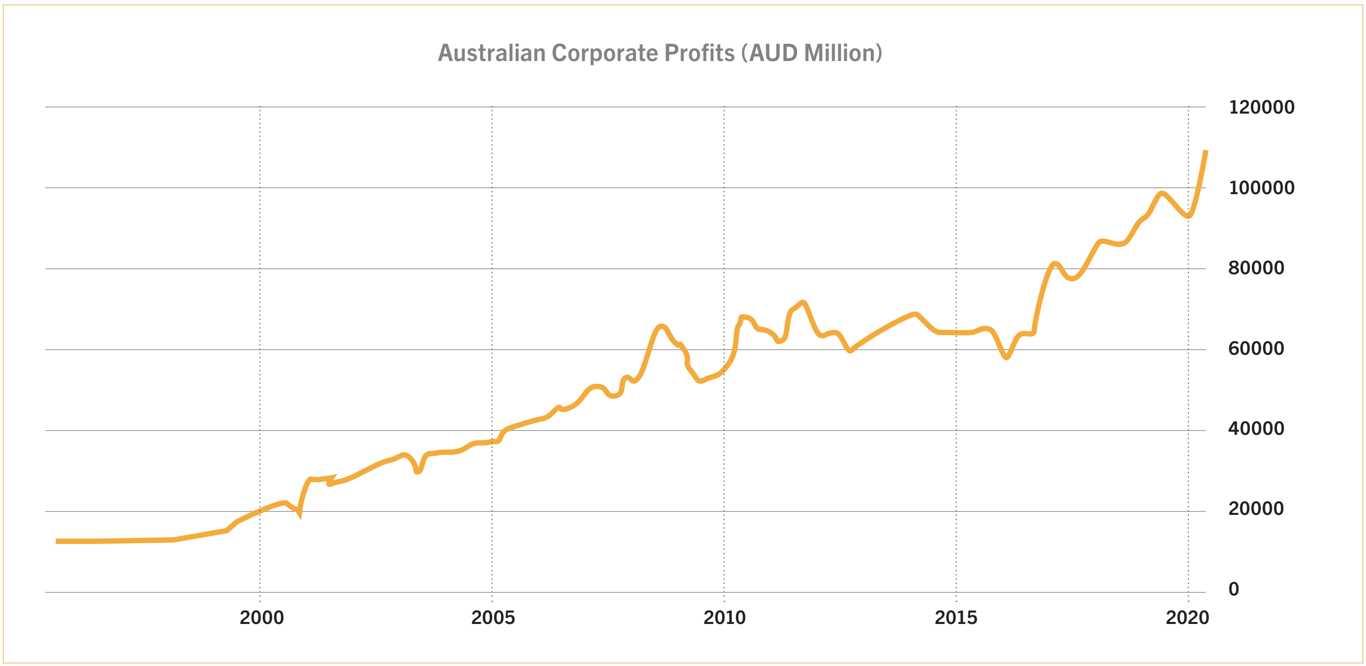


2 Hansard, https://www.aph.gov.au/Parliamentary_Business/Hansard/Hansard_Display?bid=chamber/hansardr/42f3d9a6-12f4-4844-a619-b4e04362b17b/&sid=0078

3 ABS: Annual WPI growth 1997-2020 (https://www.abs.gov.au/ausstats)

Further support for this conclusion is drawn from the fact that over the same period – since 2014 – company profits have soared to their highest level on record.[4]

Neither wage increases nor a superannuation guarantee increase occurred from 2014 onwards, costing workers tens, or even hundreds of thousands by retirement. Instead, company profits soared and continue to do so.



4 ABS: Business Indicators

We looked at a subset of COVID-19 essential workers and their lost wages since 2014 in the first part of this analysis and found that the already lost superannuation across this period ranges from $3,110 to $7,032 per worker – which will grow over time.

COVID essential workers	Typical weekly earnings[5]	Lost Superannuation since 2014[6]
Retail Worker	$831.00	$3,267.55
Barista	$791.00	$3,110.26
Truck Driver	$1,649.90	$6,545.71
Registered Nurse	$1,618.50	$6,420.88
Aged Care Worker	$896.04	$3,554.89
Childcare Worker	$1,108.46	$4,397.60
Local Government Worker	$1,178.35	$4,674.93
Police	$1,772.62	$7,032.31
Pharmacy Sales Assistants	$827.80	$3,254.93
Commercial Cleaners	$832.80	$3,274.60
Delivery drivers	$813.60	$3,199.12
Store persons	$1,042.94	$4,137.68
Retail supervisors	$900.60	$3,541.21
Call/contact centre workers	$1,288.85	$5,113.32
Ambulance Officers and Paramedics	$1,420.75	$5,609.82
Construction	$1,645.50	$6,528.27
Teacher	$1,778.69	$7,056.41
Aviation Ground Crew	$886.99	$3,518.97

5 6302.0 – Average Weekly Earnings, Australia, 2020, Data cube 11, https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6306.0May%202018?OpenDocument
6 The Per Capita Lost Super Calculator, https://percapita.org.au/our-work/lost-super-calculator/

Impact of a further deferral

Several government MPs have recently voiced their support for either delaying or cancelling the scheduled increases in the superannuation guarantee. The Assisting Minister for Superannuation, Senator Jane Hume, has recently used language similar to that of Prime Minister Abbott in 2014, saying:

"Australians need every dollar in their back pocket right now to see them through and businesses need to see that government is on their side, not imposing more costs on their operations that would prevent them [from continuing] to operate or hire more people or pay them higher wages."

Building on our previous analysis, we looked at the impact of deferring the 2021-25 superannuation increases for the same sub-set of COVID-19 essential workers and the cumulative future value of these lost savings at retirement.

COVID essential workers	Typical weekly cash earnings[7]	Lost Superannuation since 2014 (as at 2020)[8]	Weekly cost to employer of legislated superannuation changes in 2021	Additional lost superannuation at retirement if 12% delayed again[9]
Retail Worker	$831.00	$3,267.55	$4.16	$62,540.00
Barista	$791.00	$3,110.26	$3.96	$59,529.00
Truck Driver	$1,649.90	$6,545.71	$8.25	$124,168.00
Registered Nurse	$1,618.50	$6,420.88	$8.09	$121,807.00
Aged Care Worker	$896.04	$3,554.89	$4.48	$67,435.00
Childcare Worker	$1,108.46	$4,397.60	$5.54	$83,420.00
Local Government Worker	$1,178.35	$4,674.93	$5.89	$127,941.00
Police	$1,772.62	$7,032.31	$8.86	$133,405.00
Pharmacy Sales Assistants	$827.80	$3,254.93	$4.14	$62,299.00
Commercial Cleaners	$832.80	$3,274.60	$4.16	$62,675.00
Delivery drivers	$813.60	$3,199.12	$4.07	$61,231.00
Store persons	$1,042.94	$4,137.68	$5.21	$78,490.00
Retail supervisors	$900.60	$3,541.21	$4.50	$67,778.00
Call/contact centre workers	$1,288.85	$5,113.32	$6.44	$96,998.00
Ambulance Officers and Paramedics	$1,420.75	$5,609.82	$7.10	$106,924.00
Construction	$1,645.50	$6,528.27	$8.23	$123,839.00
Teacher	$1,778.69	$7,056.41	$8.89	$133,862.00
Aviation Ground Crew	$886.99	$3,518.97	$4.43	$66,753.00

7 6306.0 - Employee Earnings and Hours, Australia, May 2018, Data cube 11, https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6306.0May%202018?OpenDocument
8 The Per Capita Lost Super Calculator, https://percapita.org.au/our-work/lost-super-calculator/
9 Your Super Guarantee calculator, https://www.industrysuper.com/campaigns/yoursuperguarantee/. Assumes all employees are 30 years old, and have $35,000 in existing superannuation

For many of these COVID essential workers, earning industry average wages, they would lose more than a year and a half equivalent of their average wages by retirement, which means they would face the choice of retiring later or retiring poorer.

Assessing this lost superannuation against the modest lifestyle (defined by the Association of Superannuation Funds of Australia) as outlined below, the average paramedic would lose 3.83 years of retirement funds from their superannuation, and need to work longer to compensate for this, or rely on the pension years earlier than expected. This is the equivalent of 27% of a man's retirement based on current average life expectancy, and 21% for women.

According to the ASFA Retirement Standards Benchmarks, the recommended average budget for those aged 65[10], who own their own home outright, and are relatively healthy is set out here:[11]

	Modest Lifestyle		Comfortable Lifestyle	
	Single	Couple	Single	Couple
Total per year	$27,902	$40,380	$43,687	$61,909

Truck drivers would lose almost four and a half years, and call centre workers almost three and a half years, which amounts to a significant portion of the average worker's retirement years.

COVID essential workers	Additional lost superannuation at retirement if 12% delayed again[12]	Years of retirement lost to super delays	Proportion of retirement years lost (men)[13]	Proportion of retirement years lost (women)[14]
Retail Worker	$62,540.00	2.24	16%	12%
Barista	$59,529.00	2.13	15%	12%
Truck Driver	$124,168.00	4.45	32%	25%
Registered Nurse	$121,807.00	4.37	31%	24%
Aged Care Worker	$67,435.00	2.42	17%	13%
Childcare Worker	$83,420.00	2.99	21%	17%
Local Government Worker	$127,941.00	4.59	33%	25%
Police	$133,405.00	4.78	34%	27%
Pharmacy Sales Assistants	$62,299.00	2.23	16%	12%
Commercial Cleaners	$62,675.00	2.25	16%	12%
Delivery drivers	$61,231.00	2.19	16%	12%
Store persons	$78,490.00	2.81	20%	16%
Retail supervisors	$67,778.00	2.43	17%	13%
Call/contact centre workers	$96,998.00	3.48	25%	19%
Ambulance Officers and Paramedics	$106,924.00	3.83	27%	21%
Construction	$123,839.00	4.44	32%	25%
Teacher	$133,862.00	4.80	34%	27%
Aviation Ground Crew	$66,753.00	2.39	17%	13%

10 Note that the retirement age increases to 67 in 2023, and is currently 66.

11 Budgets for various households and living standards for those aged around 65 (June quarter 2020), national) https://www.superannuation.asn.au/resources/retirement-standard

12 Your Super Guarantee calculator, https://www.industrysuper.com/campaigns/yoursuperguarantee/. Assumes all employees are 30 years old, and have $35,000 in existing superannuation

13 Assumes a retirement age of 67, and the current average life expectancy of 80.7 for males, https://www.aihw.gov.au/reports/life-expectancy-death/deaths-in-australia/contents/life-expectancy

14 Assumes a retirement age of 67, and the current average life expectancy of 84.9 for females, https://www.aihw.gov.au/reports/life-expectancy-death/deaths-in-australia/contents/life-expectancy

Registered nurses would retire with the equivalent of 4.37 years less retirement income, which is 31% of retirement for men, and 24% of the average retirement period for women.

Aged care workers would retire with the equivalent of almost two and a half years less superannuation at the modest rate. It is the equivalent of a loss of 17% of their expected retirement for men, and 13% for women who live longer.

For Aged Care workers, with already low wages, and other low-income workers such as checkout operators, they would end up on the pension sooner, and retire in more difficult financial circumstances.

Case in point

Sherree is an assistant in nursing in an aged care home.

Her current wage is $52,000 per annum.

She is 43 years old.

The superannuation guarantee increase will cost her employer $5.00 per week.

Sheree works in a physically demanding profession.

If the law is changed for superannuation, she is likely to retire with $35,150 less income at her planned retirement age.

The deferral of the superannuation increase in 2014 means she has lost $4,013 dollars for her retirement up to today.

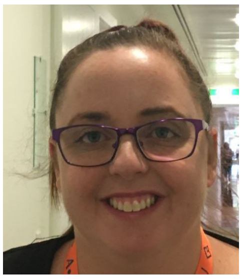
Her lost super would be enough to pay her caravan yearly rent - $250 / week - for almost three years in retirement.

Sherree says that one of her biggest concerns is becoming a statistic among the rising number of homeless older women when she reaches retirement.

Sherree is passionate about her work, and it's a field which needs more high-quality people - not fewer.

These COVID essential workers bear the full brunt of any further delays to the legislative superannuation guarantees.

If the super guarantee increase is delayed further, those workers who have proven essential during COVID-19 (such as checkout operators) but are the lowest paid will be forced to rely on the pension earlier than they should need to.



Case in point

Delisiah is in her mid-30's and has worked in multiple jobs at different stages of her life, primarily in the disability sector. She is also the primary carer of her mother who has had to retire early due to a surgery related injury.

Her wage from some of her employers has been less than $450 month at various stages of her working life. This is because Del works for three (and sometimes four) employers at the same time, meaning that while her overall earnings are more than $450 in a month, some of her employers pay her under $450 in a given month. This means that those employers are not required to contribute superannuation to her account at all, demonstrating a further injustice within the present system.

The cost of increasing the guaranteed superannuation increase for her employers is $2.25 per week between all of them.

By the time that she retires she will have missed out on $27,475, after already missing out today on $1,805 from the 2014 delays.

Del says that her mum can't afford to live on the pension because "it barely covers her medical support needs and medication".

"Mum worked from the age of 14 and has virtually no super to retire with. She also took her super early during the GFC because of permanent disability but her balance was so low that it is already exhausted – at age 62".

"This is not a job where it's practical to work into your 70s because there is significant physical work involved. The behavioural issues with many people with disability mean there are really tough physical situations sometimes and to avoid injury you need to be agile and quite strong. I can't imagine handling some of the situations at work when I'm 70."

"It's also shift work with early starts, late shifts and sleep-overs at times."

"I want to keep working with people in the disability sector and it's an area that needs more people like me, not fewer. It's also a sector characterised by casual employment. But I shouldn't be penalised for the work I do and I want to retire with enough that I'm not relying on the government to put food on my plate."

"At the current rate I won't have enough to retire with either and I don't want to have to rely on the government to eat when I'm older."

With most forecasts predicting little or no wage growth for the period ahead, there is little reason to think, or historic evidence to suggest, that a superannuation increase will increase wages.

In fact, employers have already told us that they have no plans for wage increases. Those in the public sector have been told there will be wage freezes in the coming months and years as governments repay the debt accumulated during the crisis.

Workers in the private sector are barely holding onto their jobs, let alone seeing their employers talk about wage rises.

Early access to superannuation

Beyond the impact of the delay in the legislated superannuation guarantee increases, COVID-19 essential workers are among more than 600,000 workers who have wiped out their superannuation accounts by accessing superannuation through this crisis.

The cost at retirement for all workers in the table below is around $43,000 at the point of retirement.[15]

A 30-year-old Ambulance Officer, on average earnings, would need to work years longer into retirement. The equivalent of almost six years of retirement income is lost by the cumulative effect of lost superannuation from the 2014 delay, the proposed delay today, and the withdrawal of $20,000 allowed as a result of the COVID crises.

A registered nurse would lose more than 6 years of retirement income, a Pharmacy Assistant over four years.

COVID essential workers	Value of lost superannuation at retirement from 2014[16]	Additional lost superannuation at retirement if 12% delayed again[17]	Total Financial loss accounting for 2014 losses, 12% delay and $20,000 withdrawal	Total years of retirement lost accounting for 2014 losses, 12% delay and $20,000 withdrawal
Retail Worker	$7,093.00	$62,540.00	$112,633.00	4.04
Barista	$6,764.00	$59,529.00	$109,293.00	3.92
Truck Driver	$14,251.00	$124,168.00	$181,419.00	6.50
Registered Nurse	$13,980.00	$121,807.00	$178,787.00	6.41
Aged Care Worker	$7,732.00	$67,435.00	$118,167.00	4.24
Childcare Worker	$9,575.00	$83,420.00	$135,995.00	4.87
Local Government Worker	$10,176.00	$127,941.00	$181,117.00	6.49
Police	$15,310.00	$133,405.00	$191,715.00	6.87
Pharmacy Sales Assistants	$7,087.00	$62,299.00	$112,386.00	4.03
Commercial Cleaners	$7,124.00	$62,675.00	$112,799.00	4.04
Delivery drivers	$6,959.00	$61,231.00	$111,190.00	3.99
Store persons	$9,009.00	$78,490.00	$130,499.00	4.68
Retail supervisors	$7,702.00	$67,778.00	$118,480.00	4.25
Call/contact centre workers	$11,132.00	$96,998.00	$151,130.00	5.42
Ambulance Officers and Paramedics	$12,215.00	$106,924.00	$162,139.00	5.81
Construction	$14,209.00	$123,839.00	$181,048.00	6.49
Teacher	$15,359.00	$133,862.00	$192,221.00	6.89
Aviation Ground Crew	$7,652.00	$66,753.00	$117,405.00	4.21

Given the average life expectancy is just under 81 years for men and 85 years for women, this amounts to halving the retirement years that COVID essential workers would otherwise enjoy. Of course, these four to seven years are also the most active and enjoyable years of someone's retirement.

15 An average worker, at 30, moving from $35,000 in superannuation, to $15,000 in superannuation savings, https://moneysmart.gov.au/retirement-income/retirement-planner

16 Using the MoneySmart calculator with the additional superannuation from the 2014 period added to a starting superannuation of $35,000, for 30-year-old, https://moneysmart.gov.au/retirement-income/retirement-planner

17 Your Super Guarantee calculator, https://www.industrysuper.com/campaigns/yoursuperguarantee/. Assumes all employees are 30 years old, and have $35,000 in existing superannuation

Whole of economy effects

At an individual level, the effects of a further super guarantee freeze are substantial on when, and in what financial position, a person retires. When taken across the whole Australian economy, there is a wider impact on the ability of our economy to weather financial and economic disruptions.

The careful investment of capital held in superannuation funds builds benefit upon benefit for those accessing their superannuation, and for the rest of the community.

The superannuation savings of workers are deployed throughout our economy. These savings helped us through the 2007-09 financial crisis by helping to "recapitalise Australian businesses" and through counter-cyclical investment.[18] In short, as other investors left or were unable to play a role in the financial markets, superannuation funds were able to enter the market, producing profits for members and benefits for the community.

The graph below – drawn from APRA statistical updates – shows the significant growth in funds since 1999, including through the previous financial crises.

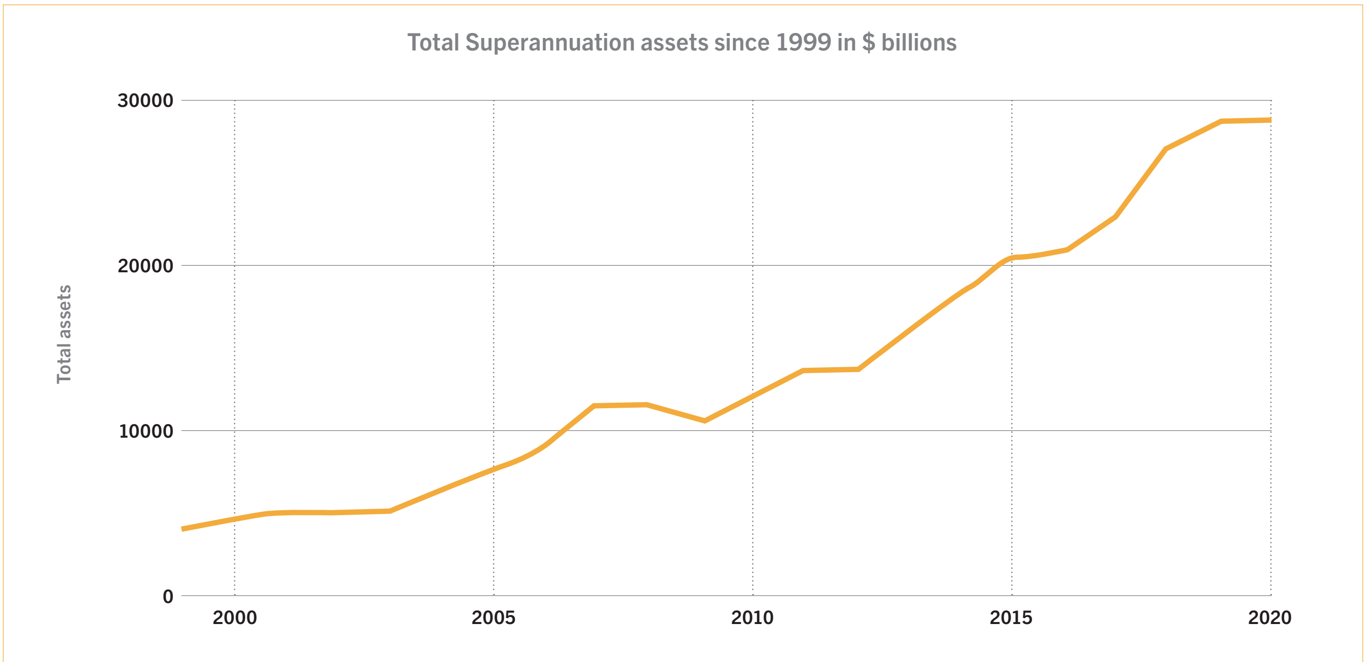
These assets don't just re-capitalise our financial markets – they are used to employ workers in nation building projects. With over $2.864 trillion now in superannuation[19], superannuation funds are looking for more investment in Australia.

Industry superannuation, which makes up around 25% of these assets, is expected to boost employment by between 100,000 and 150,000 jobs each year over the next five years based on Industry Super research. This could mean more than 660,000 jobs created during the construction phase of superannuation funded projects by the end of 2024.[20]

Further, the reduction in ongoing cost to government through the pensions system improves the Federal Budget bottom line, and more importantly provides a better quality of life for our citizens in retirement.

Australians in retirement already face a high relative income poverty rate at 23% compared to 14% across the OECD.[21]

The pension itself fails to provide a "decent standard of living" for approximately 1.5 million older Australians who rely on it as their main source of income.[22] With this, and the added years until retirement for COVID essential workers, there seems to be little benefit in delaying the legislated superannuation guarantee increases a second time around.



18 Super in the Economy 2020, https://www.industrysuper.com/assets/FileDownloadCTA/070920-Super-in-the-Economy-2020.pdf

19 APRA releases quarterly superannuation statistics for June 2020, https://www.apra.gov.au/news-and-publications/apra-releases-superannuation-statistics-for-june-2020

20 Super rise backflip threatens $33 billion investment pipeline, https://www.theage.com.au/politics/federal/super-rise-backflip-threatens-33-billion-investment-pipeline-industry-funds-20200906-p55srp.html

21 Pensions at a Glance 2019 How does Australia compare? https://www.oecd.org/australia/PAG2019-AUS.pdf

22 The Super Freeze, What You've Lost, pg. 9, https://percapita.org.au/wp-content/uploads/2020/02/The-Super-Freeze-What-Youve-Lost_Final-2.pdf

Conclusion

The COVID-19 pandemic has shone a spotlight on workers who have stepped up to protect our health and our way of life in the most difficult circumstances, often putting themselves at risk to keep the economy and the community safe.

These essential workers have performed their duties – sometimes on very low wages – believing that they are working towards a secure and comfortable retirement supported by their superannuation savings.

But the compounded effects of an initial delay to the superannuation guarantee increase in 2014, the current push to delay the rise to 12% superannuation, and the early withdrawal of superannuation through the pandemic pose a significant risk to individuals' retirement and the community at large.

If the superannuation system is not protected and reinforced now, survival in retirement will become tougher for millions of Australians, or they will be forced to work years into their 70's to ensure a retirement above the poverty line.

This study has shown that COVID-19 essential workers – those who have turned up to work in the face of a dangerous viral threat – will lose between 2.13 and 4.78 years' worth of living expenses at retirement due to the delay in the superannuation guarantee increase, and up to 6.87 years for those workers who have felt compelled to withdraw funds through the Early Release of Super scheme.

These estimates are based upon a retirement in the most basic of circumstances, in a situation where the retiree already owns their own home and remains in good health.

Sadly, this is not the situation for all retirees, especially those who start on already low incomes who have proven to be essential workers in this time of crisis.

This is particularly the case for women because over 70% of women have estimated balances under $150,000 and almost a quarter have balances less than $50,000.[23] This sees them retiring with half as much superannuation as men which is one of the reasons that older women are the fastest growing group of homeless Australians.

Further delays to the superannuation guarantee increase will punish those who are now working hardest, in the most dangerous circumstances, to keep the community safe and functioning.

Analysis of the cost to essential workers' retirements shows that the delay would significantly push back retirement for many who have worked in physically and mentally demanding roles for decades, driving them to keep working beyond the point of normal retirement at a greater risk to their health.

The superannuation guarantee is Australia's answer to giving everyone a better, fairer retirement. We have a greater sense now of the value of COVID essential workers, the work that they undertake every day, and how they have gone above and beyond in this crisis.

The next step we take for their retirement incomes is a reflection on all of us.

23 *Not So Super, For Women Superannuation and Women's Retirement Outcomes, 2017*, Per Capita

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