

Australia: Super on paid parental leave historic step in achieving gender equality in retirement

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The ACTU welcomes the announcement that the Albanese Labor Government will pay superannuation on the Government payment from 1 July 2025. This change will rectify a historic inequity that costs women thousands of dollars in retirement savings contributing to the stark gendered retirement gap.

Unions have long campaigned for super to be paid on Commonwealth Parental Leave Payments to secure fair retirement outcomes for women since it was legislated.

From 1 July 2025, the Government will pay 12 per cent superannuation on top of Commonwealth Paid Parental Leave to those taking Commonwealth Paid Parental Leave.

More than 180,000 women receive parental leave payments a year, making up 99.5% of Commonwealth Paid Parental Leave payment recipients, meaning the inequity of the loss of super has been nearly entirely on women.

Commonwealth Paid Parental Leave is also much more likely to be taken by those with lower than average incomes, meaning there is an enormous benefit for lower income families.

The ACTU also pays tribute to the late Senator Linda White, who, through her time at the ASU and in the Parliament, was a tireless advocate for this reform to make super fair.

Quotes attributable to ACTU Assistant Secretary Joseph Mitchell:

The Labor Government paying superannuation on Commonwealth Paid Parental Leave is a phenomenal policy for working women. This will take us one step closer to retirement equality and finally rectify a glaring gap in our retirement income system.

This announcement comes off the back of more than a decade of union campaigning to win equal retirement outcomes for women, it's an outstanding result for so many union women who campaigned for this reform.

"So many women retire with far too little and this going to make an enormous difference for hundreds of thousands of women and families every year who will no longer miss out on vital contributions to their nest egg while they are taking parental leave.

"We commend the Albanese government for taking this historic step and recognise the tireless campaigning by union members over the years to make this such a priority issue.

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