



MEDIA RELEASE

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SUPERANNUATION FUNDS SHOW THE WAY FORWARD TO RETIREMENT

Millions of Australians can look forward to a brighter financial future in retirement with the superannuation system's Retirement Income Covenant coming into effect tomorrow, 1 July 2022.

The Retirement Income Covenant requires superannuation funds to develop a retirement income strategy for their members and to publish a summary of this strategy on their website.

CEO of the FSC Blake Briggs said: "With an estimated 3.6 million Australians transitioning to retirement in the next decade, an entire generation of Australians are thinking about how their superannuation can help them live the next stage of their life with confidence and certainty.

"Superannuation funds are leading the charge by implementing a strategy for their members that best balances every retiree's trilemma: maximising retirement income, with flexibility in how it is accessed and managing the associated risks."

Tomorrow, on the 30-year anniversary of the introduction of the Superannuation Guarantee, the contribution rate will also increase from 10 per cent to 10.5 per cent. Contribution rates are legislated to reach 12 per cent by 2025.

"The introduction of the Superannuation Guarantee has been the driving force behind the transformation of Australia's retirement system into one of the most successful and largest private pension systems in the world, managing \$3.4 trillion in assets.

"In another 30 years, we will look back and see the introduction of the Retirement Income Covenant as an important step in making sure the superannuation system fulfils its promise of delivering a comfortable standard of living for Australians in their retirement.

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About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia's largest industry sectors, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, life insurers and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing \$3 trillion on behalf of more than 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange, and is the fourth largest pool of managed funds in the world.