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Discussion Paper No. 18

June 1977

WOMEN AND RETIREMENT

PART I: SUPERANNUATION

Retirement is a fact of life which must be faced by all workers except those who die before they reach retiring age. For those who do not belong to a superannuation scheme old age can be a depressing prospect. In fact only 40.8 per cent of male workers have superannuation cover. For female workers the percentage is 16.5. In addition to the 83.5 per cent of female workers who have no financial provision for retirement are the women who are or have been dependent on male workers without cover. Table I shows the proportion of people who have superannuation cover by industry and sex.(1)

Table I

WAGE AND SALARY EARNERS - SUPERANNUATION COVER AND INDUSTRY DIVISION (%)		
Industry	Females	Males
Manufacturing	10.4	36.5
Wholesale/Retail Trade	9.7	31.5
Communication	43.7	74.2
Agriculture, forestry etc.	*	7.4
Mining	*	63.1
Electricity, gas & water	*	68.6
Construction	*	20.5
Transport & storage	17.7	49.5
Finance, insurance, real estate & business services	23.6	56.4
Public administration & defence	54.1	79.2
Community services	23.0	61.2
Entertainment, recreation, hotels and personal services	*	18.1

* Sample too small to be measured accurately.

The table does not show the number of people employed in each industry and some industries which have a high percentage of employees covered employ relatively few people.

WHY ARE SO FEW WOMEN INCLUDED IN SUPERANNUATION SCHEMES?

1. Most superannuation schemes are based on the misconception that all men support wives and that all women are fully supported by men. This notion ignores the reality that in February 1977 41.4 per cent of all married women were in the labour force and that 323,000 women were heads of households.(2)
2. Some employers who provide superannuation schemes for their employees will not admit women.
3. People who work part-time are seldom eligible to join superannuation schemes. Because of domestic responsibilities 41 per cent of the female workforce work part-time or on a casual basis.(3)
4. Women's average weekly earnings are only 70% of the male average. Because of their lower earnings and the expectation that they must leave work when they marry and have children women tend not to join noncompulsory schemes. The tendency for superannuation schemes to provide benefits for the wife and dependent children of a male contributor but not for the husband or children of a female reinforces this attitude.

5. The interruption in working life caused by child-bearing and rearing and the high incidence of retrenchment in traditionally female areas of employment mean that women achieve permanent status - if at all - at a much higher age level than men. They therefore would have to pay higher contributions than a man of the same age to receive an equivalent retiring benefit and most find they cannot afford to join.
6. Superannuation schemes more commonly cover employees in the higher skilled occupations, such as the professional, semiprofessional, managerial, executive areas and in certain white-collar jobs, whereas female employees tend to be concentrated in the less skilled jobs.(4)

INFERIOR BENEFITS AVAILABLE TO WOMEN

Even where women are included in some sort of superannuation or retirement benefit scheme the conditions for them are often inferior to those provided for men by the same employer.

- * Women are often compelled to take a lump sum payment on retirement whereas men have a choice between a lump sum or an annual payment until death. The lump sum is regarded as a marriage "dowry", it being assumed that the woman will retire on marriage and have a man to support her.
- * Most schemes provide benefits for the widow and any dependent children of a male contributor after his death. Few provide such benefits for the widower or children of a female contributor.
- * In the majority of schemes the age at which full retirement benefits normally become payable is 65 years for males and 60 for females. In some cases women are compelled to retire at 55. As benefits are calculated on the basis of contributions paid, salary at retirement and life expectancy after retirement, women are triply disadvantaged. Their interrupted work life means they can contribute less. Added to the fact that they must retire earlier, this means that their retiring allowance will be lower. Because of the lower retiring age and the fact that the life expectancy of women in Australia is longer than that of men, pension benefits are lower. Where a lump sum is paid it is usually quite inadequate to provide the woman with an income for the rest of her life comparable to that received by a male superannuee.

COMMONWEALTH PUBLIC SERVICE

In July 1976 the Commonwealth Government introduced a new scheme which does not differentiate between men and women in terms of eligibility, contributions payable or benefits. Three provisions are of particular significance to women:

1. Benefits can be preserved after five years' service if an employee leaves his/her employment.
2. Credit can be allowed for part-time service if, at some future date, provisions are introduced to allow part-timers to be employed on a permanent basis.
3. Under Section 52 of the Superannuation Act the Commissioner may defer payments due while contributors are on leave without pay such as maternity leave if the person concerned makes an application to him in writing.

These provisions help to reduce the indirect discrimination suffered by women who cannot meet the same conditions as men because of their child-bearing function. They do not ensure that women will retire with the same benefits as men who entered the Service at the same time. Part-time service will of course mean only pro-rata benefits and any break in service will mean a delay in promotion and therefore lower earnings and ultimately lower benefits.

STATE GOVERNMENT SCHEMES

Under some state government schemes women are required to pay a lower rate of contributions than men since they are allowed to cover only themselves and have no option of paying higher contributions to cover dependants. In some schemes the surviving husband or other dependants of a deceased female employee have to prove dependence in order to obtain benefits whereas widows of deceased male contributors have automatic right to benefits.

The Victorian Government has recently introduced a new superannuation scheme for state public servants. This has removed most of the overt discrimination against women but does not recognize part-time service; nor does it recognize service prior to interruption for child-bearing. Although men and women contribute at virtually the same rate, the widower of a deceased female contributor must prove dependency on the contributor whereas the widow of a male contributor gets a pension automatically.

The new legislation accepts that a de facto widow is entitled to consideration under certain circumstances but this will only apply when there was a legal barrier to marriage, which implies a moral judgment. There is no provision for a pension for de facto husbands.

Although married women are now allowed to join the Victorian State scheme, those who have been employed for a number of years are often disadvantaged. In the Education Department, for example, women have to undergo a medical examination before being accepted. Because of the stress associated with the teaching profession these women may not be in such good health by the time they are examined as they would have been had they been examined when they initially entered the service as were men of the same age. Thus they are indirectly discriminated against because of their family role.

Some women are employed for years as "temporary" staff and are therefore ineligible to join the superannuation scheme.

STATUTORY AUTHORITIES AND PRIVATE INDUSTRY

Many state government authorities are administered under a special Act and their superannuation schemes are not affected by the new state government Superannuation Act.

The Melbourne & Metropolitan Board of Works will not admit married women because it maintains that "the scheme was not designed to cater for married women". Many private firms have the same attitude.

The recently enacted Victorian Government Equal Opportunity legislation has exempted superannuation schemes so discrimination against women is likely to continue in this area.

Table II gives the results of a survey of superannuation schemes operating in 583 firms. It shows that there were 1135 categories open to men but only 849 open to women.

- * 80 per cent of all schemes were on a voluntary basis.
- * 10 per cent required no contributions from employees.
- * Employer contributions, as against employee contributions, ranged from 1:1 to 3:1, the most common (just over 50%) being 1:1.

Employment Category	Age											
	55		60		62		65		Other		Total	
	M	F	M	F	M	F	M	F	M	F	M	F
Wages	2	40	34	255	2	1	442	55	3	11	483	362
Salaried	4	11	40	328	16	3	523	66	5	15	588	462
Executives	1	4	5	14	3	-	55	6	-	1	64	25
	7	55	79	597	21	4	1020	127	8	27	1135	849

The survey did not distinguish between benefits available to men and women. Few private industry schemes provide the same cover for women as they do for men. Sometimes they allow women to contribute at a lower rate and present this as an accommodation for women who do not earn as much as men. The men receive coverage for wives and dependent children. The women are not supposed to have dependants. The Canadian Union of Public Employees comments that: "Benefit plans which allow women the option of contributing at rates lower than men are simply exploiting a situation where women have lower pay and are encouraged to see men and not themselves as the primary wage and benefit provider. Such plans in our view are discriminatory." (6)

Anne Lampe, writing in "The Financial Review" (28/1/76) of a new superannuation scheme introduced for employees of the National Mutual Life Association, said that "While superannuation benefits for white-collar males have been improving in quality by leaps and bounds, female employees generally have been left behind in the race . . . Previously the lines were clearly defined, with women employees joining a separate fund to male employees . . . Female members have been given the option of joining the existing male superannuation scheme with improved benefits . . ."

For those women who are able to maintain an unbroken record of service such a scheme will prove a great boon. Unfortunately, because of lack of childcare facilities and the expectation that women should accept the responsibility for caring for young children, many women are unable to take advantage of such a scheme even if it is offered to them.

Some employers consider that employees who voluntarily resign from their jobs should receive no superannuation payment. The New South Wales Employers' Federation stated: "Those who abandon their employment . . . have no moral claim to the benefits of their original employers' thoughtfulness and generosity. Superannuation and similar schemes introduced voluntarily by industry for specific purposes will lose their effectiveness . . ." (7)

CONCLUSIONS

Provision for retirement is a vital consideration for all workers, particularly for women who, because of their low earnings and broken work pattern, are less able to provide for their old age. The most satisfactory arrangement would be a national superannuation scheme which would provide a pension sufficient to enable all people to maintain health and dignity and to enjoy their leisure after a lifetime of work. Each individual should be entitled to a separate pension irrespective of sex or marital status. No person should be penalized because of time spent caring for young children or elderly or handicapped people.

WHAT UNIONS CAN DO

1. Campaign for the introduction of the proposed National Superannuation Scheme.
2. Insist that superannuation be recognized as an industrial issue.
3. Make superannuation a top priority in any logs of claims.
4. Campaign for portability of pensions so that workers are not blackmailed into staying with one employer.
5. Insist on equal superannuation benefits for both male and female members and put this into practice in any schemes which they operate.
6. Campaign for part-time work and unpaid leave such as maternity leave to count towards superannuation eligibility and benefits.

REFERENCES:

- (1) Aust. Bureau of Statistics Survey of Superannuation Feb. 1974.
 (2) & (3) ABS The Labour Force Feb. 1977. (4) Working Women and Retirement. Women's Bureau, Dept. of Employment and Industrial Relations. Oct. 1976.
 (5) C. Baker Personnel Practice Bulletin. C'wealth. Dept. of Labour. March 1973. (cited in "Blueprint", AAESDA Journal, Nov/Dec. 1973).
 Canadian Union of Public Employees. Equal Opportunity at Work. Opeiu 491. 1976. (7) Quoted in The Anatomy of Superannuation in the Seventies: Re-examined. Seminar proceedings of ACSPA (Queensland Division). 1970.