GET SUPERCHARGED

How much super will you have at retirement? New rule changes will help grow it faster, so here's what you should know, as ***ANTHONY KEANE*** *reports.*

LOOMING changes to superannuation rules are set to enlarge the nest eggs of millions of Australians, prompting a call for savers to beef up their knowledge.

Extra employer payments and increased limits on contributions begin on July 1, and this month's Federal Budget is likely to provide even more incentives.

There has been talk that the May 11 Budget could remove the $450 per month wage threshold for superannuation to be paid, which would benefit workers with part-time jobs.

Online investment adviser Stockspot's CEO, Chris Brycki, below, said there could be other Budget changes to benefit women.

"It's important for the government to look at ways to start closing the retirement savings gap between men and women," he said.

"One possible policy would involve paying super on paid parental leave."

While Budget initiatives remain uncertain, other super changes are locked in. Here are five of them.

1. EXTRA CASH FOR EMPLOYEES

Financial strategist Theo Marinis said the widest impact was from the legislated rise in compulsory employer contributions, known as the Superannuation Guarantee, from 9.5 per cent to 10 per cent.

Mr Marinis said humans had a "natural inertia" about their finances so the SG rise would help automatically increase their wealth.

"We don't take steps ourselves, and if it didn't happen we just wouldn't save," he said.

"You won't notice it but it will make a massive difference in 20 or 30 years' time."

SG payments are scheduled to climb to 12 per cent by 2025, and Industry Super Australia said this would add $170,000 to the retirement nest egg of an average 30-year-old couple.

2. HIGHER TAX-DEDUCTIBLE CONTRIBUTIONS

Australians can currently deposit up to $25,000 a year into their super and claim a tax deduction for it.

These are known as concessional contributions, and the cap rises to $27,500 on July 1.

Concessional contributions can be made at any time of the year. Salary sacrifice and employers' SG payments are included in the cap.

3. ANOTHER $10,000 TO DEPOSIT

Savers can also make after-tax deposits into their super, known as non-concessional contributions, of up to $100,000 each financial year. From July 1 this rises to $110,000 a year, and the rules allow two years of future contributions to be brought forward – giving pre-retirees the ability to pump in $330,000 in one go.

4. BIGGER TAX-FREE RETIREMENT PENSIONS

Wealthy retirees can currently put up to $1.6 million each in a personal account-based pension, which is tax-free for most people. On July 1 this cap rises to $1.7 million for new pensions.

5. INSURANCE AND FEES

More of a beware than a benefit, super fund members should check rising costs – particularly on life insurance in their super.

"Premiums are rising across the board and will continue to rise," Mr Marinis said. "The regulator has squeezed them and COVID has had an impact as well, with a lot of mental health claims," he said.

Mr Marinis said people should review their cover.

Stockspot's Mr Brycki said they should also keep an eye on other fees.

"Consumers should not pay more than 1 per cent in total fees, because if they are, their returns will shrink over the long term," he said.

"Many young Aussies paying 1.5 per cent per year or more in super fees could pay over $226,000 in excess fees in their lifetime."

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