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SUPER
MEMBERS
COUNCIL

Closing the gender super gap: Pay super to all under-18 workers





Executive summary

- Women currently approach retirement with 25 per cent less super than men, largely because they spend more time out of paid work caring for family and children.
- An outdated rule that under-18s must work at least 30 hours a week for one employer to be entitled to super is age-based discrimination which widens the gender super gap - because young women are significantly more likely than young men to work part-time.
- This discrimination leads to women missing out on super contributions from a younger age.
- **Paying super to all under-18s could see a typical female teenager who works for at least two years benefit from almost \$2,500 in their super account by the time they turn 18. This is projected to grow to \$11,000 (in today's dollars) as they reach retirement age. A typical teenage man could have \$2,000 more super by age 18, and \$9,000 more by retirement.**
- While there are costs and benefits for individual employers (explored in our earlier 2024 report *Guaranteeing a super start to work*), this change could deliver a combined \$405 million more super to 515,000 young Australian workers in 2025-26.
- 73% of Australians support changing the law so all workers receive super, regardless of their age (only 7% disagree) - community support is broad and strong with Australians from all backgrounds recognising the unfairness of this exclusion that is costing workers thousands.
- The original policy rationale for this exclusion - a fear that the super balances of young workers would be eroded by fees - no longer stacks up, as low-balance super accounts are now protected from fee erosion (highlighted in our 2024 report).
- Ending this discrimination will help narrow the gender super gap, putting more young Australian women on the path to a secure and dignified retirement from the very start of their working lives.

Super Members Council Recommendation

Make the Super Guarantee fairer and simpler by ending age-based discrimination: abolish the 30-hour per week work threshold for teenage workers.

Removing this outdated loophole will help close the gender super gap and significantly boost the retirement savings of future generations of everyday Australians. SMC supports a transitional period to help manage the impact on business.

About the Super Members Council

We're a strong voice advocating for more than 12 million Australians with over \$1.6 trillion in retirement savings in profit-to-member super. Our purpose is to protect and advance the interests of these super fund members throughout their lives, advocating on their behalf to ensure super policy is stable, effective, and equitable. We produce rigorous research and analysis and work with Parliamentarians and policymakers across the full breadth of Parliament.



Most under-18s are missing out on super, but young women miss out most

What is the law on paying super to under-18 workers now?

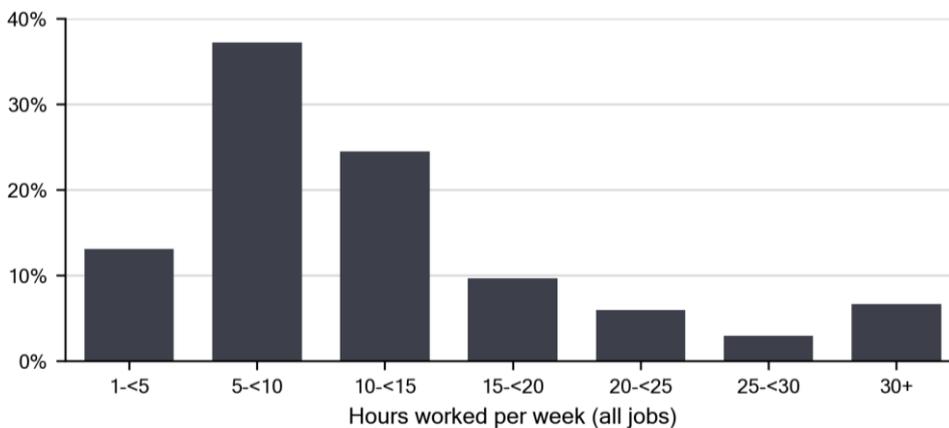
A legal obligation for employers to pay super for their workers is set out in the Superannuation Guarantee (Administration) Act 1992 (Cth) (SGAA). Currently, under this law, employers must pay super to under-18 workers only if they work for that employer for more than 30 hours in a week. In 2002, a separate change was made to super laws¹ that abolished a similar outdated exclusion of workers who earned less than \$450 a month from being paid super. With that reform, enacted by the previous Government, an important principle was established: that even workers who earn very small amounts of money should also be paid super.

How many under-18s work - and how many hours do they work?

The majority of under-18 workers across Australia (93%) usually work less than 30 hours per week in all jobs (Figure 1), while 75 per cent work less than 15 hours per week. Half (50%) work less than 10 hours a week. These figures show the vast majority of under-18 workers are not guaranteed super for the work they do.

The number of hours worked is the actual number of hours the employee works in that week. Employers can't average the hours across fortnightly or monthly pay periods. Workers are classified as part-time employees for any weeks where they work less than 30 hours, and full-time employees for any weeks where they work more than 30 hours².

Figure 1: Distribution of hours worked under-18s across all jobs



Source: SMC analysis, HILDA, waves 19 to 22.

Yet many employers currently recognise the benefits of paying super to their under-18 staff, even if they don't work 30 hours in a week. SMC analysis of HILDA data shows around 30 per cent of under-18s were paid super by their employers despite not working 30 hours per week.

Taking this into account, SMC estimates that in 2025-26 there will be around 875,000 under-18s in paid employment and of those almost 60%, or around 515,000, will not be paid super.

¹ In 2022 legislation was passed to remove the \$450 minimum threshold for superannuation guarantee contributions.

² Superannuation Guarantee Determination SGD 93/1



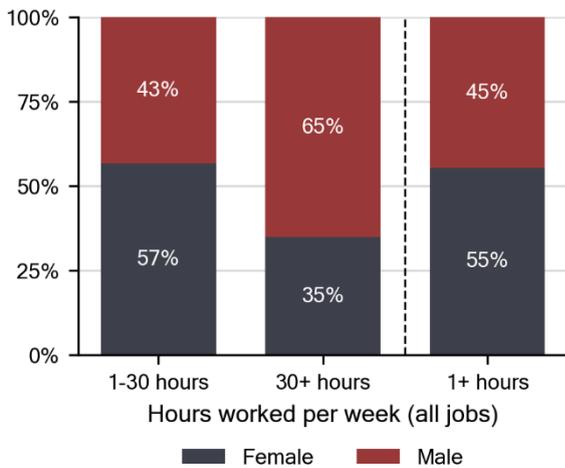
Women are disproportionately affected by this age-based exclusion

While the data above shows most under-18s work less than 30 hours per week and are not entitled to super, when we look deeper, SMC analysis shows that it is women who are more likely to be missing out.

As Figure 2 shows, under-18 men are more likely to work more than 30 hours a week (65%) and be guaranteed super, whereas under-18 women are more likely to have a part time job (57%) and not be guaranteed super.

**Women make up 55% of all under-18 workers -
but only 35% of under-18s who are guaranteed super.**

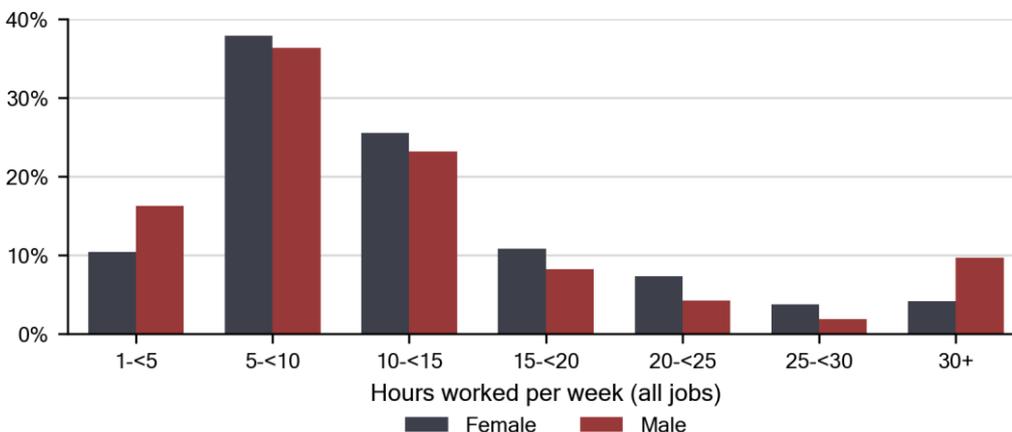
Figure 2: Distribution of under-18 males and females by hours worked



Source: SMC analysis of HILDA, waves 19 to 22.

Figure 3 further shows the gender impact, where workers under-18 are more likely to be women at every number of hours worked, except over 30 hours per week and less than five hours per week.

Figure 3: Distribution of under-18s by hours worked per week



Source: SMC analysis of HILDA, waves 19 to 22.

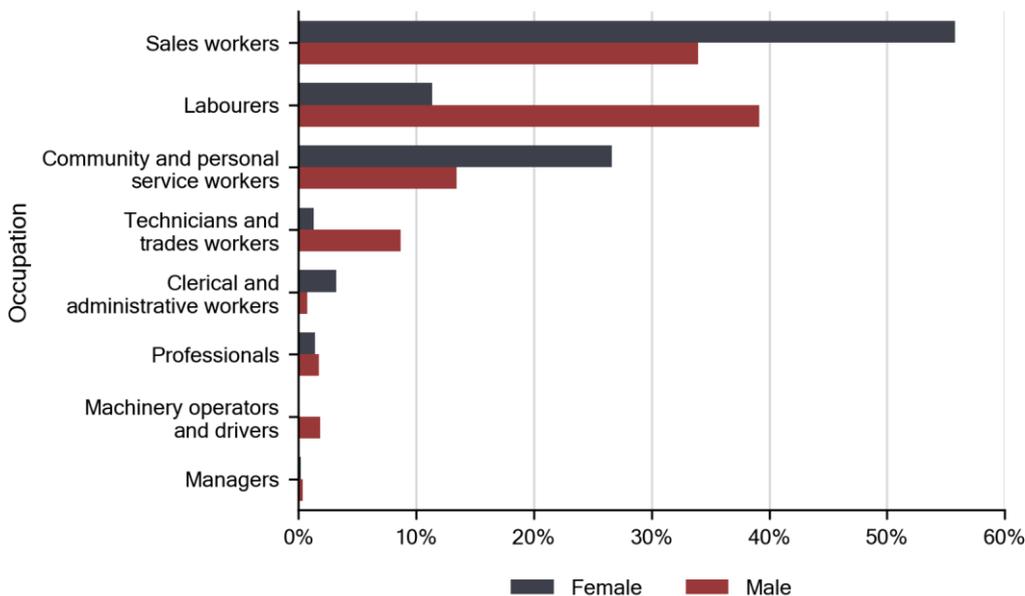


Looking at the occupations of under-18s, young men are more likely than young women to work as labourers (39% male, 11% female) and technicians and trades workers (9% male, 1% female). Young women are more likely to work as sales workers (56% female, 34% male) and community and personal service workers (27% female, 13% male).

It is clear from the data that male under-18s are more likely than female to work in occupations where full-time roles and apprenticeships are more prevalent. This gender bias and occupational segregation results in women disproportionately missing out on super contributions due to the current age-based exclusion.

More under-18 men work as labourers or technicians and tradies - jobs where full-time roles/apprenticeships are much more prevalent, ensuring they are guaranteed super.

Figure 4: Percentage in occupations by gender



Source: SMC analysis of HILDA, waves 19 to 22.

The benefits of removing this age-based exclusion

Excluding under-18s who work less than 30 hours a week from guaranteed super is aged-based discrimination. While almost all other workers in Australia have the right to be paid super contributions on their wages, under-18s are still missing out - and this report shows that those missing out are disproportionately young women.

Australia can simplify its super system and strengthen equity by removing the 30-hour threshold for workers under-18. Universal super is a fundamental principle of our world class system and ensures widespread participation in retirement savings across the workforce so all Australians can reap the rewards of super with strong income for their retirement years.

Our analysis shows women would be the biggest beneficiary of this reform.

Paying super to all under-18s could see a **typical female teenager who works for at least two years** benefit from almost **\$2,500** in their super account by the time they turn 18. This is projected to grow to **\$11,000** (in today's dollars) as they reach retirement age.

This is another important step the Government can take to close the gender super gap for women.



Young men would also benefit from this change, but slightly less, as more are already working more than 30 hours per week and being paid super. A typical male teenager who works for at least two years would benefit from about \$2,000 in their super account by the time they turn 18. This is projected to grow to about \$9,000 (in today's dollars) as they reach retirement age.

In aggregate, SMC estimates the change could mean an extra \$405 million in super contributions in 2025-26 for young working Australians.

73 per cent of Australians support changing the law so all workers receive super, regardless of their age (only 7 per cent disagree) - community support is broad and strong with Australians from all backgrounds recognising the unfairness of this exclusion that is costing workers thousands³.

Our analysis shows that women would be the biggest beneficiary of this reform - it could boost their super by \$11,000 by the time they reach retirement age.

Ensuring fairness for young Australian workers in the super system will strengthen it for everyone

The case to pay under-18s super just like all other workers is clear and compelling.

The success of Australia's world-envied super system is built on it being universal. All workers are included and all share in the transformational benefits.

SMC analysis shows this reform would mean more money for retirement for younger Australians, particularly women, and less reliance on the Age Pension.

No good reason remains for keeping a minimum hour threshold. There are now strong safeguards in place to protect small super balances, and it would be easier for employers to accurately pay super if the rules for all workers under-18 were the same.

Paying super from the start of work would also better set up young workers to engage with their super and its importance in their financial wellbeing - by establishing a clearer connection between entering the workforce and earning super.

³ Pyxis Polling & Insights survey of 1528 Australian citizens & permanent residents aged 18+, conducted between Monday 10th to Sunday 16th of November 2025.



Appendix

Cameo modelling

The SMC cameo model tracks the accumulation of superannuation throughout the life of hypothetical individuals or couples. The model simulates components of the tax, transfer, and superannuation systems - such as contributions, returns, drawdowns and age pension payments - under current and alternate tax settings to estimate the impact of policies on retirement outcomes.

HILDA data

This document uses unit record data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The unit record data from the HILDA Survey was obtained from the Australian Data Archive, which is hosted by The Australian National University. The HILDA Survey was initiated and is funded by the Australian Government Department of Social Services (DSS) and is managed by the Melbourne Institute of Applied Economic and Social Research (Melbourne Institute). The findings and views based on the data, however, are those of the authors and should not be attributed to the Australian Government, DSS, the Melbourne Institute, the Australian Data Archive or The Australian National University and none of those entities bear any responsibility for the analysis or interpretation of the unit record data from the HILDA Survey provided by the authors.