

Superannuation & Retirement

SUPERANNUATION CHOICE

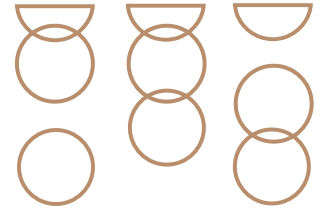
The concept of superannuation choice empowers individuals to select the superannuation fund they prefer for building their retirement savings. In many cases, employers are obligated to permit employees to make this selection for their superannuation guarantee (SG) contributions.



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Disclaimer: The information in this document is of a general nature and does not take into account your own financial objectives, circumstances or needs. You should consider your own personal situation and requirements before making a decision.

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The concept of superannuation choice empowers individuals to select the superannuation fund they prefer for building their retirement savings. In many cases, employers are obligated to permit employees to make this selection for their superannuation guarantee (SG) contributions. To ascertain your eligibility, it is advisable to consult with your employer.

If you are eligible but opt not to choose your own fund, your employer will direct your SG contributions into a default superannuation fund of their choosing.

Who is eligible to choose their own super fund?

Numerous employees are eligible to exercise their preference for a superannuation fund, including those who:

- Are employed under a federal award.
- Are employed under a former state award (notional agreement preserving state award).
- Work under an award or agreement that does not mandate superannuation support.
- Are not covered by any award or agreement.

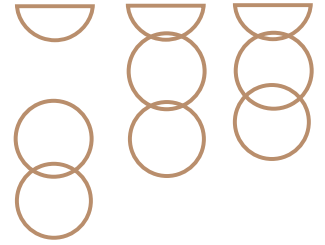
Certain federal and state public sector employees, as well as members of specific defined benefit funds, may not be eligible for fund selection. Employees are also ineligible if their employer determines superannuation payments based on:

- An industrial award
- A preserved state award
- A federal industrial agreement like an Australian workplace agreement

How choice works

The superannuation choice primarily pertains to SG contributions. While your employer has the option to make other voluntary superannuation contributions (e.g., salary sacrifice and personal after-tax contributions) to your chosen fund, they are not legally obliged to do so. If your employer opts not to direct your voluntary contributions to your selected fund, those contributions will be channeled into your employer's default fund.

In the event of a salary sacrifice arrangement with your employer, and if your employer agrees to transfer these contributions to your chosen fund, it is essential to specify this agreement in writing.



Initiating your choice

The process of making a superannuation choice can be initiated by either yourself or your employer. In both scenarios, you will need to complete a Standard Choice Form and furnish it to your employer. This form is accessible on the ATO website or can be obtained from your employer.

Key Considerations

- Your employer's default fund often includes a minimum level of insurance coverage. If you select your own superannuation fund, you will not have access to this insurance coverage. Hence, it is crucial to evaluate your life insurance needs based on your circumstances before opting out of your employer's default fund.
- Changing superannuation funds may incur additional fees. Fee structures vary among funds, and it is advisable to comprehend the initial, ongoing, and withdrawal fees associated with your chosen fund.

References

You may wish to refer to the following websites for further information about superannuation choice:

- www.moneysmart.gov.au
- www.ato.gov.au