



Superannuation

Choice of super fund

Aon Hewitt Financial Education Series

In many cases your super account will be your largest asset after your home, because of this shouldn't you decide where it is invested? You are able to choose which super fund your compulsory super guarantee payments are made into, and this is known as 'Choice of Super Fund'. Most people have been able to choose which fund their super is paid into since 2005.

Who is covered by Choice of Fund?

You can choose which super fund you would like your contributions paid into if you are:

- Employed under a federal award, or
- Employed under a former state award, now known as a 'notional agreement preserving state award', or
- Employed under another award or agreement that doesn't require super support, or
- Not employed under any state award or industrial agreement (including contractors paid principally for their labour).

Who isn't covered by Choice of Fund?

You may not be able to choose which super fund you would like your contributions paid into if you are:

- Paid super under a state award or industrial agreement or under certain workplace agreements, including an Australian Workplace Agreement (AWA) and collective agreements (although choice can also be provided under these awards or agreements), or
- In a particular type of defined benefit fund or you have already reached a certain level in a defined benefit fund, or
- Some federal and state public sector employees are also excluded from choice of super.

If you would like help determining if you are eligible for Super Choice, please speak to your financial adviser or employer.

How do I let my employer know I have chosen a fund?

You need to provide your employer with a completed and signed “Standard Choice Form”.

When you start work with a new employer they should provide you with this form if you are eligible for Super Choice. Once you have correctly completed and submitted the form, your employer then has two months to start paying your contributions into your nominated fund.

You are able to change your super fund as often as you wish, however your employer is only legally required to accept one change every twelve months.

What happens if I don't choose a fund?

If you haven't made a choice of fund, your employer will be obligated to commence paying your compulsory super guarantee contributions to a super fund that offers a MySuper product.

A MySuper product is a new, simple and cost-effective super product that will offer a standard set of features and fees. For more guidance in this area, please speak to your financial adviser.

Compulsory super guarantee payments

As an eligible employee, you are also entitled to compulsory super contributions from your employer. Currently your employer needs to contribute 9.5% of your salary into super, and this will increase from 1 July 2021.

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This document, including all tax and super calculations, has been prepared using legislation in place as at the 1 July 2018.