

Choice of Super Fund

EMPLOYEE GUIDE



What is Choice of Super Fund?

Choice of Super Fund allows you to choose the super fund that receives your 9% superannuation guarantee (SG) contributions.

Choice of Super Fund does not apply to any salary sacrifice payments or to voluntary employer super contributions. However, by negotiation with your employer, you could request that your employer pay all such payments to your chosen fund.

It's important to note that you don't have to choose a fund. A recent report¹ suggests that only 4% of people have consciously chosen their own super fund.

To help you, we have developed this guide about Choice of Super Fund for employees.

Do you have to choose a fund?

You don't have to choose a fund. If you don't choose a super fund, your employer will continue to pay your SG into the employer default fund. If the employer default fund is the ARC Corporate Plan, there are many great benefits such as:

- simplicity and flexibility with your investment options
- free investment switches
- online access to view your account balance
- comprehensive life insurance cover
- superannuation contributions splitting
- no minimum amount for additional contributions
- flexibility to accept personal contributions, salary sacrifice, voluntary employer contributions and Government co-contributions
- free service to consolidate your super accounts.

So if you are happy with the fund, there is nothing you need to do about Choice of Super Fund.

Does Choice of Super Fund apply to you?

Not everyone is automatically eligible for Choice of Super Fund. It generally depends on the type of award or industrial agreement under which you are employed. To find out if you are eligible, you should speak to your employer.

Generally, you may be eligible for choice of super fund if you are employed under:

- a federal award
- a 'notional agreement preserving state award' (from 1 July 2006)
- an award or agreement that does not require super support
- no award or industrial agreement (including individuals contracted principally for their labour).

What needs to be done?

If you are eligible to choose your own super fund, your employer will need to provide you with a Standard Choice Form. This form will allow you to nominate a fund of your choice for SG contributions to be paid to (if you want to choose your own fund).

Your employer is not required to give you a standard choice form on a regular basis although there are certain times when this form should be provided:

- if you start employment, your employer has 28 days from when you start work to provide you with a Standard Choice Form
- if you request a form in writing your employer must generally provide it within 28 days

Completing the Standard Choice Form

If you are happy with your current employer default fund, you don't need to do anything when you receive the Standard Choice Form. However, if you want to choose your own fund, you can complete Part B of the form and return it to your employer.

Another way that you can choose your own fund is by providing your employer with the relevant details of your chosen fund in writing (eg full name of the fund, the Australian Business Number (ABN) of the fund where available, the fund's Superannuation Product Identification Number if applicable, contact details of the fund, complying status, payment options and your account name and account number if available).

If you choose your own fund, your employer has two months to arrange to pay contributions into that fund. After that time, any SG contributions paid for you must be paid into your chosen fund.

Which super funds can you choose?

You can choose from the following different styles of funds:

- a retail personal super fund
- a corporate master trust
- a self managed super fund (SMSF)
- a small Australian Prudential Regulation Authority (APRA) fund
- an industry fund
- a Retirement Savings Account (RSA)
- a super wrap or master trust.

Handy Contacts

If you have some further questions or need more information, as a first point of contact, speak to your financial adviser or:

- Contact the Australian Taxation Office on 13 10 20 or visit their website www.ato.gov.au/super
 - Contact one of our Customer Service Consultants on 1800 101 014
1. Association of Superannuation Funds of Australia (ASFA), The Introduction of Choice of Superannuation Fund – results to date, released February 2006.



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