



Super changes

Default super accounts

Currently, if you start a new job and you don't let your employer know where you want them to pay your super contributions, they will open a super account for you. The account will be in your employer's default super fund. This may result in you having multiple super accounts.

By 1 July 2021, your employer will be able to obtain information about your existing super account from the ATO. They will then pay your super contributions into this account, unless you instruct them to pay it to a different account.

For people who don't yet have a super account, their employer will be able to open an account for them in their default super fund.

What this could mean for you

Over 4 million Australians currently have multiple super accounts, and this means they're paying more than one set of super fees and possibly multiple insurance premiums as well. The Government estimates that this is costing Australians \$450 million each year. The intention of this change is to keep people's super accounts attached to them, so they can take them from job to job.

By having only one super account, you can stop paying unnecessary fees and insurance premiums that may be eroding your super balance. Having all your super together can also help your super savings accumulate faster.

Performance testing for MySuper products

MySuper products follow a strict set of government guidelines. They tend to offer their members lower fees, simple features and limited investment options.

The Government feels there are too many underperforming super funds in the market, and this is impacting members' retirement savings. From 1 July 2021, MySuper products will be subject to an annual benchmarking test. If the fund is found to be underperforming, it will need to inform its members by 1 October 2021.

Further, if a fund is found to underperform for two consecutive years, they won't be permitted to accept new members until their performance improves.

By 1 July 2022, all super funds will need to do the annual benchmarking test – not just MySuper products.

What this could mean for you

How your super fund performs can make a big difference to the amount of money you have when you retire. This change means that your super fund will need to tell you if your fund has underperformed compared to other super funds. You can then make a decision about whether you want to stay with your fund or change to another fund.

YourSuper online comparison tool

To help members easily compare super funds, the Government will release an interactive online comparison tool called YourSuper by 1 July 2021 which will:

- rank MySuper products by fees and investment returns
- provide links to super fund websites
- show if you have more than one super account so you can consider consolidating them.

What this could mean for you

Choosing a super fund can be daunting. This comparison tool will make it easier to see what each super fund charges in fees and how they have been performing. However, it's important to remember that past performance is not always an indication of future performance. That's why it's always best to talk to your financial adviser before making a decision about your super.