

# Super and Us Mob!

**An introduction to super, and how  
it can help you and your family**

What is super?



How does  
super work?

The idea of superannuation (super) is to save money over your working life so that you and your family have something to live on when you retire. You might also get Government benefits like the age pension.

Super also offers benefits such as insurance, which can help protect you and your family if you should die or fall ill when you are working.

## **If you are employed, here's how super works:**

- 1** Every three months, your boss must put 9% of what you earn into a super fund. For example, over a year, the amount of super your boss must pay into your fund adds up to \$2,250 if you earn \$25,000 a year.
- 2** The super fund invests that money (eg in the share market) and the money that is made from those investments is added to your pot of super savings.
- 3** The super fund takes out fees and charges and the cost of insurance each year from your super savings.
- 4** As your boss puts in more super payments (you can also put money into super), your pot of super savings grows.
- 5** When you retire, usually at age 60, you can get the super money that has been saved over your working life.
- 6** Your boss may put super payments into a retirement savings account (RSA) instead of a super fund. RSAs are different to super funds (for example, they do not have to provide insurance) and other super arrangements may suit you better by providing a greater return over the long term. So, if you have super in an RSA, think about whether it's the best place for your super savings to grow.

**Bec, Auntie Kelly, Stan and the others talk  
about their super. Read their tips to help  
you understand how super can work for you.**

# Super Stories

## Bec's story

I work for the council. I started on CDEP one day a week and the work kept coming. For the last six months I've been working 5 days a week and get super on my "top up" wages. I want to know what's happening with my super.



## Stuff to think about:

- As a general rule, employers should pay into a super fund or RSA for all their employees. But there are some exceptions to this.
- Your boss does not have to pay into a super fund for you if you are paid less than \$450 per month, or if you are under 18 and work 30 hours or less a week.
- If you are on CDEP, your boss does not have to pay into a super fund for you. However, if you get "top up" wages that take your total wages (including your CDEP payment) to \$450 or more a month, your boss must pay super on the "top up".
- Talk to your boss and get a free copy of *Super Choices* to find out more about super. (See page 6 to find out how you can get your free copy of *Super Choices*.)

## Travis' story

I've been teaching for six years at my local primary school. I heard that if I put **some of my own money into my super** the government will put some in too. It's called **co-contributions**. I reckon I might do this... It'll help me and my family one day.



## Stuff to think about:

- Whatever your age, super matters.
- You can put some of your own money into your super fund and you might be eligible for an extra contribution from the Government. If you are eligible, and earn less than \$28,000, for every \$1 of your own money you put in, the Government will put in an extra \$1.50 to a maximum of \$1500. This amount phases out when you earn between \$28,000 and \$58,000.
- If you're thinking of putting some of your own money into your super, check that you can spare the money before you do. Once you put money into super, it must stay there until you retire.

# How super affects us mob ...

## Auntie Kelly's story

I'm a health worker. I've just started a new job and my boss has given me a form about choosing my super fund. I've got to work out if the fund my employer has chosen is the best one for me and my family, or whether I should choose a different fund. I'm going to find out more about super before I make my decision.



### Stuff to think about:

- Since July 2005, more people can choose a super fund for future super payments. This is called super choice.
- Not everyone who gets super will be allowed to choose a super fund. If you are allowed, you should get a form at work or when you start a new job. This is called the Standard choice form.
- Choosing your super fund means you can choose a fund that works best for you. This may mean it has low fees and has insurance that suits your needs.
- You don't have to choose a super fund if you don't want to. If you don't, your employer will pay super into a fund they have chosen. For existing employees, this could be your current fund. Find out about your current fund as it may be the best fund for you.
- Your boss can give you the facts about super, but can't give you advice about which super fund is best for you.
- Get your free copy of the *Super Choices* booklet to learn more about your super (see page 6). Read it with this fact sheet.

### Compare your super fund checklist:

- Check employer contributions, fund benefits and services.
- Do you have enough insurance? What does it cost? Are there conditions?
- How much are the fees and charges?
- How well has the fund performed over 5 years or longer?



### Cousin Stan's story

I work on the fishing boats and get paid by different people. I keep my pay slips even though sometimes I have to chase them up, but I'm not sure about my super. I'm going to ask my bosses what funds they pay my super into, so I know what's going on. It'd be good to bring all my super together into just one fund so it's easier to keep track of. Also, I'll only have to pay one lot of fees, but I need to make sure I pick the right fund for me.

### Stuff to think about:

- Getting super is your right. So make sure your super is being paid. If it's not, call the Tax Office on **13 10 20**.
- It's important to keep track of your super, especially if you have more than one job or change jobs often. Ask your boss which super fund (or RSA) your super is going into. Some employers put super payments into RSAs for casual workers.
- Each year you should receive a super statement from every fund or RSA you belong to. Keep your super statements because they tell you important facts about your super. Make sure your fund knows your current address.
- If you have lots of different funds and don't know where they are or have moved a lot, you may have some 'lost super'. You can track down your lost super for free on the internet at **[www.ato.gov.au/super](http://www.ato.gov.au/super)**
- Super adds up. Fees can make a big difference to the amount of super you have in the end. More funds generally means more fees.
- If you have money in lots of different super funds, you might want to bring it together into one fund. This makes it easier to keep track of your super and you can also save on fees. Here's what to do:
  - Decide which fund is best for you (see Auntie Kelly's story).
  - Contact each of your other funds and tell them you want to transfer your super into your chosen fund. Each fund will send you a form to do this.
  - Fill out the forms and get your super transferred into one fund.
- If you're planning on transferring super from one fund to another, always check first if you'll be charged a fee to leave the fund, known as an 'exit fee'. Also check that you will not lose important insurance that you may not be able to get elsewhere (see Uncle Danny's story).
- Super choice may allow you to have just one super fund even if you change jobs or work more than one job.

# How super affects us mob ...

## Uncle Danny's story

I became a grandpa for the ninth time yesterday! Real proud granddad I am, and I reckon it's time I checked that my family will be OK if something happened to me. The other day my boss had a yarn about that super stuff and I realised that I get insurance with my super. I'm going to call my super fund to make sure I can get **enough insurance cover** for me and my family and find out **how much it costs**. If I'm not happy with their answer, I will think about changing my super fund.

### Stuff to think about:

- Super choice allows you to choose a super fund that has the right amount of insurance to cover you and your family if something goes wrong.
- Super funds offer insurance in case you die whilst you are working. The insurance money usually gets paid to a family member.
- Some funds also pay insurance money if an illness or accident stops you from working.
- RSAs do not have to provide insurance cover.
- Super and insurance can be tricky. Talk to your super fund or ask for help from your legal service or a financial counsellor if you need to make an insurance claim.
- To learn more, read *Super Choices* and talk to your fund because the type of insurance cover and the cost of insurance is different for different funds.



## Joanne's story

I've been real sick lately and had to give up my job at the supermarket. I've got 5 kids and my Centrelink benefit doesn't cover everything and I'm struggling to get by. I've seen the financial counsellor at the legal centre and she reckons I might be able to get some money out of my super to help pay for everyday things until I get better. It all depends on the rules of my super fund. She's going to help me contact my super fund and see if I can.

### Stuff to think about:

- Super is a form of savings for you and your family to live on when you retire. Usually you can't touch it until you retire.
- In special cases, super funds may release some super money early – for hardship or compassionate reasons. The law is very strict about when super funds can do this.
- Talk to your super fund first or get help from a financial counsellor to see if this applies to you. If it does, your fund will not charge a fee.
- Stay away from dodgy people who tell you they will help get your super early for a fee. These are scams. Some people have lost all their super savings and risked paying extra tax because they got caught up in one of these scams.





Super can be difficult. I know some people are still confused about this stuff. I also know there is plenty of help around ...

## For more information about super ...

- Call the Australian Securities and Investments Commission's (ASIC's) Infoline on **1300 300 630** for your free copy of the *Super Choices* booklet.
- Look up ASIC's consumer website **www.fido.gov.au** on the internet. FIDO has lots of information to help you with your money and finances – not just super.
- Report anyone who tells you they can help you get your super out early for a fee to Infoline on **1300 300 630**.
- Look up the Tax Office website **www.ato.gov.au/super** on the internet for help and information about your super savings. Or call the Tax Office on **13 10 20**.
- Look up **www.superchoice.gov.au** on the internet for information about super choice.

## Having trouble with your super?

- If your boss has not paid your super ... Call the Tax Office on **13 10 20**.
- For finding lost super ... Use Superseeker on **www.ato.gov.au/super** or call the Tax Office on **13 10 20**.
- For help if you are in financial trouble talk to a financial counsellor: Financial counsellors provide a free source of help. Look up **www.fido.gov.au** to find a financial counsellor in your state or territory.

