



## Monthly Information Newsletter – Tax & Super

February 2022

### Consolidate your super

Did you know that there are approximately 10 million unintended multiple super accounts, which represents around 35% of all member accounts held by funds? While in some cases this outcome may be intended, more often than not the creation of multiple accounts is unintended and mainly occurs when employees change jobs and do not nominate the same (or any) account for their super guarantee to be paid into.

These multiple super accounts are costing Australians an extra \$690 million in duplicated administration fees and \$1.9 billion in insurance premiums per year, which is eroding many Australians' hard earned super benefits.

If you are one of these individuals with multiple super accounts, there may be benefits to rolling your accounts onto one super fund.

#### The benefits of consolidating funds

There are a number of benefits of rolling your accounts into one fund, including:

- Prevent duplicated fees – having one super fund means one set of fees, potentially saving you hundreds and thousands of dollars over your lifetime.
- Easier to manage – having all your super in one account makes it easier to manage as there is less paperwork and administration to worry about.
- Maximise your investment returns – once you have consolidated your funds, it will be easier to manage your investment strategy and you'll be able to maximise the funds to invest.

#### Things to consider before consolidating

Before you consolidate your funds, there are a few things you should consider, including:

- Check whether you have any insurance cover – you may hold life, total and permanent disability cover and

income protection through your super funds. When changing funds, you may lose this cover or not receive the same level of cover in the new fund. Individuals with pre-existing medical conditions and those aged over 60 need to be particularly vigilant.

- Compare your super funds – it is important to compare your super funds to check on things like fees, insurance premiums, variety of investment options available, performance data, etc before you choose a super fund that meets your needs.
- Check if you can roll out of your current fund – it may not be possible for you to transfer your money out of your account e.g., if you have a defined benefit fund.
- Speak to your licensed financial advisor to help you make the right decision, particularly if you're not sure about the adequacy of your new or existing insurance coverage.

#### How to consolidate

Consolidating your super is now easier than ever, using ATO online services or your myGov account.

If you're not sure whether you might have other super accounts, you can also search for lost or unclaimed super via the ATO or by logging into your myGov account linked to the ATO and clicking on Manage my super.

#### DISCLAIMER

All information provided in this article is of a general nature only and is not personal financial or investment advice. Also, changes in legislation may occur frequently. We recommend that our formal advice be obtained before acting on the basis of this information.

***Our liability may be limited by a scheme approved under Professional Standards Legislation.***