

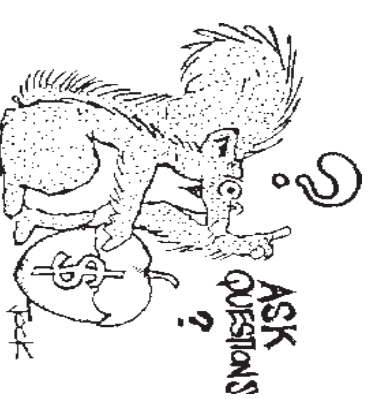


National Information Centre on Retirement Investments Inc.

A Super

Checklist

(Questions to ask your Superannuation Fund)



www.nicri.org.au

<http://moneymap.nicri.org.au>

Superannuation Guarantee (SG)

The SG is payable by employers for their employees at a legislated rate. From 1 July 2002 the rate is 9% of ordinary time earnings. 15% tax is applied to SG contribution when received by the superannuation fund.

If the employer fails to make this contribution voluntarily the Australian Taxation Office (ATO) applies a Superannuation Guarantee charge.

From 1 July 2003 employers are required to make contributions quarterly. The contribution is payable if you earn at least \$450 in a calendar month.

Superannuation Safety

- Obtain details in writing.
- Read documents carefully.
- Understand the contract before signing.
- Check fees, charges and flexibility before making a commitment.
- Diversify the investment by making personal contributions to another fund although this may result in increased costs.
- Before making extra superannuation contributions consider paying off debts and other investment alternatives.

Investment Risk

Superannuation funds may offer a choice of investment options with different risk levels and potential returns. Details on the types of investments, the risk and any guarantees should be obtained from the fund manager or product disclosure statement.

The choice of investment options depends on personal needs, objectives and how long the money is expected to remain in the fund. As circumstances change, e.g. nearing retirement, you should reconsider the risk of the options used and ensure your current investment strategy is appropriate for your circumstances. You may need to transfer to a less risky/volatile option to lock in gains and protect against potential future losses. Before making a commitment check if charges apply.

The more common options are:

Growth: Higher volatility. Some or all money is invested in shares and property which may go up or down but have most potential for higher returns over time.

Capital Stable/Capital Secure: Lower volatility. Most of the money is placed in investments such as cash and fixed interest, with minimal exposure to shares and property. Losses may still occur.

Retirement Savings Accounts (RSA):

Available from some financial institutions. Capital and earnings, once credited, are guaranteed by the provider. Underlying assets are usually in the cash market, accordingly they are not volatile. Interest is credited periodically.

To understand time frames suited to the various investment options and associated risk see NICRI publication 'Risk Meter'.

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INFORMATION CURRENT FROM 23/10/09

What you need to know about your superannuation fund

Superannuation is a right for most paid workers and employers should be contributing to a superannuation fund of your choice on your behalf. You may also make additional contributions into the same or another fund. In all cases basic information about the fund should be known. The following checklist is a guide and when completed should be kept in a safe place with other superannuation documents for future reference.

The name and address of your superannuation fund.

Name of Fund: SPIN:.....
(Superannuation Product Identification Number)

Fund Address:

Website: Telephone:

Always inform the superannuation fund of changes of your contact details. **Don't become a lost member.**

FLEXIBILITY

Can you stop, increase or decrease your contributions at any time without penalty? Yes/No

FEES

What fees are deducted from contributions?

Check entry/contribution fees and ongoing management fees.

Note: Tax of up to 15% may be deducted from some contributions. Check your annual statements for full details.

EMPLOYER CONTRIBUTIONS

Is your superannuation fund receiving your Superannuation Guarantee contributions paid by your employer? Yes/No

Is your employer paying the correct percentage of your wages/salary into the fund? Yes/No

Refer to section on Superannuation Guarantee (SG) for details on rate payable. Check these details with your fund directly. If you have contributions deducted from your wages the contributions must be paid to the fund within 28 days following the month the deduction was made.

PERFORMANCE

How well is your fund performing?

Check long term net (after fees) average returns and compare to other funds with similar risk profiles. Past performance does not guarantee future performance.

RISK

Does your fund offer a choice of investment options? Yes/No

The options have different risk levels. Mix and match to suit your risk profile. Determining your risk profile, needs and objectives is important. Refer to <http://moneymap.nicri.org.au> for assistance.

Is switching between options possible? Yes/No

Is there a charge for switching? Yes/No

WITHDRAWAL OR TRANSFER

Does your superannuation fund charge to transfer to another fund? Yes/No

Check if the net surrender or transfer value is less than the balance. It is important that you fully assess and understand all the advantages or disadvantages of transferring your superannuation benefits from one fund to another. This is very important now that choice of funds is available.

Does your fund offer an income stream? Yes/No

Is the withdrawal of money allowed due to financial hardship or on compassionate grounds? Yes/No

Note: Legislative restrictions apply

INSURANCE

Do your contributions also cover Life Insurance, Permanent Disability Insurance and Salary Continuance? Yes/No

Is the cover adequate? Yes/No

How much does it cost?What does it cover?

Can you alter the insurance at any time? Yes/No

Can you retain insurance if exiting fund? Yes/No