CONSOLIDATING SUPERANNUATION

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Consolidating your superannuation accounts into one fund can simplify your finances and increase your overall return from investments.

BENEFITS

- Maintaining less superannuation accounts reduces your paperwork and may therefore simplify your finances.
- Your overall return on investments may increase because your total costs may reduce.
- Looking after only one portfolio can help you achieve a more focused retirement strategy.

HOW IT WORKS

If you have more than one superannuation account, you are probably paying fees on each account. Consolidating your superannuation can reduce your overall costs because it will result in fees being paid on only one account. Consolidating superannuation can also help you keep track of your money and reduce the number of superannuation statements you receive each year.

Most superannuation accounts can be rolled over to another superannuation fund at any time. There are some exceptions – for example, some employer sponsored or defined benefit funds may not be able to be rolled over. You may need to check with your superannuation fund that your account balance can be rolled over.

You will need to contact your superannuation fund directly to request the rollover to your new superannuation fund. Many funds provide a service where they will consolidate accounts on your behalf.

WHAT YOU NEED TO CONSIDER

- Inform your employer and ask if they are able to make employer contributions into the new fund. Whether you choose a new superannuation fund or one of your existing ones, you will need to give your employer the details they need to pay your superannuation into your chosen account.
- If you have insurance cover attached to your superannuation fund that you wish to rollover, the insurance will be cancelled. You need to carefully consider whether you have adequate levels and amounts of cover for your overall needs and circumstances. If you have had any health issues since, you should consult your financial adviser beforehand.
- You may incur fees and charges for rolling out of your old superannuation fund and/or you may lose certain benefits. Any lost benefits need to be weighed up against the benefits of the new superannuation fund. You may be able to arrange options in the new fund to replace any benefits that will be lost. It is important to check these details before requesting the transfer. Make sure that you are not losing anything that is important to you.

- If you have made personal contributions for which you wish to claim a tax deduction, you must lodge a notice of deductibility form with your old superannuation fund (and wait for confirmation that they have received the notice) before requesting a rollover out of that fund.
- Exit or withdrawal fees may be charged for the rollover to your new fund. You should check the details in the fee section of your Statement of Advice if you are being provided with financial advice and the Product Disclosure Statement (PDS) for your superannuation fund.
- If your old superannuation account includes an untaxed element, contributions tax will be deducted upon rollover to your new fund.

REFERENCES

You may wish to refer to the following websites for further information about consolidating superannuation:

- www.ato.gov.au
- www.moneysmart.gov.au

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