

Factsheet No. 21

Consolidating your superannuation



This factsheet looks at how to consolidate your superannuation from various super funds.

- What is superannuation?
- When must an employer pay super?
- Consolidating your superannuation.
- I can't remember what super I have.
- How do I consolidate my super?

What is superannuation?

Superannuation (or "super") is a mandatory system where money is placed in a fund to save for a person's retirement. The money comes from contributions made into the super fund by a person's employer and potentially from:

- the person's own money;
- co-contributions from the government; and/or
- low-income super contribution (which may be instead of employer superannuation payments).

By law, employers must pay 9.5% of a person's salary into a super fund (called the Super Guarantee). Under current legislation, the Super Guarantee rate will increase by 0.5 percentage points each financial year from 1 July 2021 until it reaches 12% on 1 July 2025.

The fund grows as the contributions accumulate and as the super fund invests the contributions. The objective is for the super fund to grow over the person's working life so that when they retire, they are able to financially support themselves (similar to a "nest egg").

When must an employer pay super?

Generally, an employer must pay super to an employee if the employee is:

- 18 years old or older, and
- paid \$450 or more (before tax) in a month.

For further information see the ATO's [website on superannuation eligibility for employees](#).

Consolidating your super

If you have worked in a number of jobs you may have a number of different superannuation funds.

If this applies to you, then you should consider consolidating your superannuation into one superannuation fund. The benefits associated with this include:

- saving money on fees charged by superannuation funds;
- reducing the paperwork associated with a number of funds;
- keeping track of your super; and
- potentially increasing the return on your super.

However, before consolidating your super you should consider the following:

- if you have any insurance policies with your super, will you be able to get the same level of insurance in your chosen consolidated fund?
- are there termination fees with any of your funds?
- can your current employer contribute to your chosen fund?

I can't remember what super I have.

The [ATO SuperSeeker website](#) allows you to conduct a search for any lost or ATO-held super. You will need to provide:

- your name;
- date of birth; and
- tax file number.

Alternatively, you can access the ATO self-help desk on 13 28 65. If you require a more comprehensive search to locate lost super, you will need to phone the ATO between 8am and 6pm (Monday to Friday) on 13 10 20. More information can be found [here](#).

Alternatively, if you have a [myGov account](#) linked to the ATO, you can find lost super and keep track of your super online. To find this:

1. Go to your myGov account
2. Select the ATO section
3. Select the "Super" tab

How do I consolidate my super?

Step 1 - Choose one fund

We recommend that you seek advice when choosing a superannuation fund.

There are different types of funds, including industry funds and corporate funds, and some may be more suited to you than others.

Things to consider when choosing a fund:

- fees charged by the fund;
- investment options available;
- extra benefits offered by the fund;
- performance of the fund in past years;
- insurance available with the fund and whether you want insurance; and
- other services they offer.

More information on types of funds and factors to consider when choosing a fund can be found [here](#).

Step 2 - Check your insurance cover

Some super funds also offer life, total and permanent disability (TPD) or income protection insurance. Make sure to check your current private insurance (if you have any) and choose a super fund that has your required level of insurance cover.

Step 3 - Talk to the superannuation fund

If you have chosen a super fund that you do not already have funds with, you will need to open an account with that fund.

Alternatively, if you already have an account with the super fund you have chosen, you should inform the fund that you are consolidating your super into that account. Some superannuation funds are able to consolidate your superannuation for you.

Step 4 - Tell your employer

Make sure that your employer is notified of your change of super fund.

Step 5 - Rollover you super to your chosen fund

There are a few ways to do this.

If you have a [myGov account](#) you are able to find lost super and keep track of all your super online. There is also the ability through myGov to combine multiple super accounts by transferring your super into your preferred super account. This usually takes around 3 business days to process.

As discussed above, some superannuation funds also have a form or online process that enables you to consolidate your super.

Produced by Redfern Legal Centre in September 2016.

This factsheet is a guide to the law in New South Wales, Australia. It is not a substitute for legal advice. If you have a legal problem seek legal advice from your local community legal centre or legal aid office.