CONSOLIDATING SUPER

WHAT IS SUPER CONSOLIDATION?

Changing jobs may leave you with more than one super account, although an existing account may follow you to a new job. Multiple accounts can mean duplicated administration fees and insurance premiums.

The more you pay, the less you have – and over time even small savings can really add up.

Consolidating super means combining benefits held in two or more funds into one fund. It may save time and money, but compare costs, investments and benefits before moving your super.

HOW CAN CONSOLIDATION SAVE YOU MONEY?

When you hold money in super, you generally need to pay fees to the super fund, such as administration fees. These fees are generally divided into two types: fixed 'flat' fees (which are the same regardless of the balance within the fund); and variable fees (which are typically calculated as a percentage of the amount held within the particular fund).

Consolidating your benefits into one fund means you only pay one 'set' of fixed fees, instead of two or more sets when you have two or more funds. In addition, if the benefits are consolidated into a fund with lower variable fees, then the total amount of variable fees paid will be lower.

FINDING 'LOST' SUPER

Super is money put aside for retirement – and retirement can seem a long way away for many people. Because of this, many people simply forget that they have benefits held in a particular super fund – especially if the benefits relate to employment early in their career.

You can find your super accounts and ATO-held lost super through myGov linked to the ATO. Go to the Super section to view accounts and, where available, request a transfer after checking which fund suits you.

THINGS TO REMEMBER

Before consolidating, compare total fees, investment options, performance, insurance and employer benefits. Seek advice if you are unsure, especially before leaving a defined-benefit fund.

Moving all your benefits can cancel life, TPD or income protection cover. Confirm any replacement cover is in force before closing the old account, particularly if your health has changed. Defined-benefit entitlements may be lost permanently. Tell your employer where future contributions should go, and check any tax or other consequences before transferring.

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