

Superannuation Choice

Most employers allow employees to choose a superannuation fund for Superannuation Guarantee (SG) contributions to be paid into. You should check with your employer whether you are eligible.

If you are given a choice and don't choose a fund, your employer will pay your contributions into a default superannuation fund that they have chosen.

Are You Eligible for Choice?

Employees who are employed under the following awards are generally entitled to superannuation choice:

- A federal award
- A former state award (notional agreement preserving state award)
- An award or agreement that does not require superannuation support
- No award or agreement

Certain federal and state public sector employees and members of certain defined benefit funds may not be eligible to choose their own fund. Choice also may not apply if the award determines the superannuation fund.

Which Contributions Does Superannuation Choice Apply to?

Superannuation choice applies specifically to SG contributions. Your employer can also pay other superannuation contributions to the chosen fund, however this is not a legal requirement. Other contributions include:

- Personal after-tax contributions
- Salary sacrifice contributions
- Voluntary employer contributions

If your employer decides not to pay these additional contributions to your chosen fund, the contributions will be made to the default fund chosen by your employer.

If you have a salary sacrifice arrangement with your employer you should specify in the agreement which fund contributions should be paid into.

How to Make a Choice

Superannuation choice may be initiated by yourself or your employer. In either case you need to complete a Standard choice form and give it to your employer. This form is available on the Tax Office (ATO) website or from your employer.

When you start a new job your employer has 28 days to give you a standard choice form. If you are an existing employee, you can ask your employer for a form at any time and they have 28 days to give you one, unless you have already made a nomination within the previous 12 months.

You are able to change the superannuation fund you have nominated but you can only make one choice in a 12 month period (unless your employer agrees).

Your employer selected fund often provides a minimum level of insurance cover. If you elect your own superannuation fund you will not have access to this insurance cover. It is important to ensure you have appropriate life insurance based on your circumstances before deciding not to be a member of the employer nominated fund.