

Super lost

\$17.7 billion! Does some of it belong to you?

There is an estimated total of 3.4 million lost superannuation accounts with a combined balance of \$17.7 billion!

What is lost super?

Super is considered to be 'lost' by the ATO when an account has not received contributions for two years or when mail sent by the super fund has been returned on two occasions.

The amount of lost super is growing. In the 2011/12 financial year **it grew by a staggering \$6.78 billion!**

The majority of people with lost super are young, casual or part-time workers and they are predominantly women. The most likely causes are the extended periods of absence through regularly changing employment or taking maternity leave.

Does it matter if I don't consolidate my super?

The major issue with having small amounts of super scattered across multiple accounts is the account fees.

A Treasury investigation found that accounts with balances as low as \$1,000 were being hit on average by \$169 in insurance charges **every year**. These fees quickly erode balances.

How can I check for lost super?

The ATO provides a secure online tool called SuperSeeker. To access SuperSeeker you need to register with the ATO via their website at **www.ato.gov.au**. You will be required to provide your name, date of birth and tax file number to complete a search.

Protection for super

The ATO provides a holding account for lost super to ensure protection and guarantee that lost super holdings are not gobbled up by fees. This protection has recently been extended to include lost super accounts with balances under \$2,000. **If your account becomes lost and has a balance less than \$2000, the balance will be transferred to the ATO for management.**

SuperSeeker will search the database of accounts that are reported to the ATO by the various super funds. It will also search lost super funds being held by the ATO. If SuperSeeker finds that the ATO is holding lost funds you can transfer the balance to an account of your choice.

Super changes

Super is an important investment for all Australians and is a crucial piece of your retirement planning. **We encourage you to take an active role in managing this significant investment.**

Given its importance, it is surprising that so many people take such little interest and do not even nominate a super fund when they enter or change employment.

Employers (or typically their payroll managers) will select a default fund to be used when an employee does not provide one. These default funds are usually just that - a default - and **often do not provide the best investment for each and every employee.**

As of January 2014 employers must place these un-nominated contributions into a fund that offers a MySuper account. The **MySuper account is a new simple and cost-effective super fund**. These funds are intended to provide a more cost effective default option for employees. MySuper accounts will start becoming available by super funds from 1 July 2013.

The next step

Super is a large and important investment. We encourage you to take the time to investigate whether some of the \$17.7 billion in lost super belongs to you and then start thinking about how your super investment will play an important part of your financial plans for the future.

Finding lost super can be super easy when you know how.



Are you sure you have enough super? Ask us for our article 'Will you outlive your super?'



Use your QR code app on your smartphone to access the Superseeker website.



*Disclaimer: This article is generic in nature. All investment decisions should be considered wisely and based on your personal and financial circumstances. Seek proper advice before committing to any course of investment action. This is not deemed as advice.

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