

Make an Informed Choice on Superannuation

From 1 July 2005 many Australian employees will be able to choose their preferred superannuation provider to receive their Superannuation Guarantee (SG) payments.

The new Fund Choice legislation empowers individuals to take an interest in their superannuation and control of their financial future. This article briefly outlines the impact of the new legislation for Australians. It is important to note this legislation is about an employee's ability to choose a superannuation provider. It is not about investment choice — many superannuation providers already offer investment choice through their product platforms.

Who is impacted?

While the final regulations are still to be published the Government has estimated around 650,000 employers employing 4.8 million people will be impacted by Fund Choice.

Employers will need to understand if and how the regulations apply to them and have systems in place to meet those requirements by July 2005.

Where applicable, an employer must:

- Before 29 July 2005 offer Fund Choice to all relevant employees who were employed at 1 July 2005.
- After 1 July 2005 offer Fund Choice to all new employees within 28 days of them starting employment.

Who's not impacted?

(Employees covered by the Former Franklins Agreement, the Former Davids Agreement, the MGAV Agreement and the MGAV Butchers Agreement, the Federal Shops Awards & the NSW Awards.)

One of the easiest ways to examine who is impacted by Fund Choice is to look at who is initially excluded from the provisions. They are, in broad terms:

- Members of defined benefit schemes.
- Most people employed under state awards, Australian Workplace Agreements and certified agreements made under Commonwealth law.

The Commonwealth intends to offer Fund Choice to some offers employees at a later date. It should also be remembered State law and State awards may allow some degree of Fund Choice.

How does it all work?

The employer will give employees a "standard choice form". These forms will contain certain information including the name of the default fund the employer will contribute to if an alternate fund is not nominated. The Government is yet to provide the full details of the required information.

Where no choice is made, contributions will be made to a default fund, that fund can be any superannuation fund except where a Commonwealth award requires a particular fund to be used.

Super Choice

Be informed

The Commonwealth Government's new 'Choice of Superannuation' laws come into force on 1 July 2005. You may face new and additional obligations in administering your employees' superannuation under the new laws.

GMP Financial are offering a limited number of complimentary face-to-face briefings about how the new laws will affect you and how you can comply.

We will deliver a 'Plain English' explanation that cuts through the complexities of Government pamphlets.

If you are unclear whether the new laws apply to you, which employees are affected, your options, obligations and potential penalties, or about helping your employees make their own informed choices, then we can guide you simply through the 'super choice' system.

As a certified financial planner specialising in superannuation I have extensive experience with super administration and an in-depth understanding of your obligations under the new system.

Please feel free to contact Milton on 03 9822 6066.

Make an informed choice on 'Super Choice'

Are you one of the 650,000 employers who must implement the new "Choice of Superannuation" system on 1 July?

Milton Wigdorowitz a Certified Financial Planner specialising in superannuation planning and advice will clear the air for you.

Soon the government will send you a package of information about your extra obligations under the new Choice of Superannuation legislation.

Milton will cut through the complexities and explain your obligations in Plain English. For a complimentary face-to-face briefing contact Milton – Phone: 03 9822 6066 or milton@gmpfin.com.au 1 Milton Parade, Malvern

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