

Update your super details: \$480 million in 'lost super' to go to ATO

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The Australian Institute of Superannuation Trustees (AIST) is urging Australians to ensure that their superannuation account details are up to date following an increase to the 'lost super' threshold requiring small inactive accounts to be transferred to the Australian Tax Office (ATO).

As result of legislative changes last month, the lost superannuation threshold will increase from \$2,000 to \$4,000 at 31 December 2015 with a further increase to \$6,000 at December 2016. Current estimates suggest this will see \$480 million of accounts where fund members are uncontactable or inactive transferred to the Australian Tax Office (ATO).

AIST CEO Tom Garcia said that as the threshold keeps increasing it is even more vital for people to make contact with their superannuation fund.

"If you have a small balance and the superannuation fund can't contact you, or there hasn't been any contributions made in the last five years your account will probably be transferred to the Australian Tax Office," said Mr Garcia. "A quick phone call to update your details can make sure your superannuation stays where you want it."

Although the money can be claimed back and will continue to earn interest at the ATO, accounts transferred will lose insurance benefits and can be difficult to track down.

"When an account is re-directed to the ATO the insurance benefits associated with it will cease," said Mr Garcia. "This is a risk for casual and seasonal workers in particular."

Mr Garcia said common mistakes include failing to let your superannuation fund know when you move house, change names or switch jobs.

"One of the easiest ways superannuation becomes 'lost' is when you forget to tell your super fund that you have moved house," said Mr Garcia. "If mail bounces back and you have a balance of less than the threshold the super fund may be obligated to hand your money over to the ATO."

AIST has long supported tools released by the ATO aimed at reuniting super with members such as SuperSeeker and later the integration of this into the MyGov portal.

"The technology is there to make locating and consolidating small superannuation balances as simple as the click of a button," said Mr Garcia. "The emphasis should be on educating and communicating the benefits of keeping track of your super rather than simply increasing thresholds."

Further media enquiries: AIST Media & Communications Officer Sarah Goodwin: 0401 769 296

AIST is the peak industry body for the \$650 billion not-for-profit super sector which includes industry, corporate and public sector funds.

Background

How is a member defined as “lost”?

A member is defined as lost when:

- The member is uncontactable – The fund hasn’t received a contribution or rollover for them within the last 12 months and:
 - The fund never held an address for the member, or
 - two written communications have been returned unclaimed. If one piece of mail is returned to the fund unclaimed, they can choose to report the member as lost; if two pieces of mail are unclaimed, the fund must report the member as lost.
- The member is inactive – the member must have joined , as a standard employer-sponsored member more than two years ago and there have been no contributions or rollovers for them within the past five years
- The member was transferred from another super provider as a lost member and the new fund haven't found or been advised of a new address.

A member is excluded from being a lost member if:

- The fund (or you have) confirmed their current address within the past two years
- The member is permanently excluded from being a lost member.

A member can be permanently excluded from being a lost member if they:

- Are an inactive member of the fund but indicate by a positive act – for example, deferring a benefit – that they want to remain a member
- Contact the fund and indicate that they want to remain a member
- Are a member of a self-managed super fund.