

## Default fund must be named on new superannuation Choice online form

The **Australian Institute of Superannuation Trustees** (AIST) has welcomed the digitization of superannuation choice forms but expressed concerns that important consumer protections could be overlooked as part of the process.

The Australian Tax Office (ATO) project will allow employers to collect employees' superannuation account preferences online rather than on paper forms.

AIST CEO Eva Scheerlinck said that moving the process online will benefit both employers and employees.

"This project consolidates paperwork for employers and makes it easier for them to ensure that they have collected all the information necessary to pay their superannuation obligations," said Ms Scheerlinck. "It's a vital step to moving superannuation administration into the 21<sup>st</sup> century."

Ms Scheerlinck also said that the process has the potential to reduce the multiple account issue. Currently an estimated 45 per cent of Australians have more than one super account.

"The proposed online form would allow consumers to see a list of their existing superannuation accounts or select their employers' default fund – a feature that paper forms are unable to deliver," said Ms Scheerlinck. "This makes it easier for people wanting to keep all their superannuation in one place without having all the details on hand."

However Ms Scheerlinck said AIST was disappointed that the ATO has been unable to find a way to pre-populate the form to list the name of the employees' default fund.

"With such a large number of consumers relying on the default fund selection process it's important that they know where their retirement money is going," said Ms Scheerlinck. "We hope that the ATO will look for a genuine solution for naming the default fund in the online form that will result in more informed consumers."

"The process must not proceed until there is a solution to this problem," said Ms Scheerlinck.

AIST maintains that the default fund selection process is a vital consumer protection.

AIST's [submission on the Commission's draft report on Alternate Default Models](#) strongly supports an industrial-based legislative framework for the selection of default funds, noting that the top performing retirement income systems in the world are industrially-based. The AIST submission also acknowledges the importance of a quality filter and a multi criteria selection process.

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***AIST is the peak industry body for the \$700 billion profit-to-member super sector which includes industry, corporate and public sector funds.***