



MEDIA RELEASE

MySuper deadline begs question of value

SYDNEY: 27 June 2016

Millions of superannuation members who have not made an investment choice within their employer fund will be compulsorily transferred to MySuper during the second half of 2016, prior to the deadline of 1 July 2017.

According to Workplace Super Specialists Australia (WSSA), the huge cost associated in doing this transfer raises the question of whether MySuper has actually been of benefit to members.

“There has been considerable cost to the funds in doing this and this has mostly been passed onto members through a levy,” says Douglas Latto, Chief Executive Officer, WSSA.

“Both funds and members need to review whether MySuper has indeed been the solution they were looking for.”

The WSSA will host a lively and in-depth discussion of this issue at its second annual conference at the Four Seasons Hotel in Sydney on 26th August 2016. The high powered panel will include Michael Mulholland (SunSuper), Jack McCartney (UniSuper), Ashley Palmer (AON) and David Lewis (Northbridge Financial).

Some of the concerns over MySuper to be discussed at the conference will be investment options, which have been driven towards a passive investment style to reduce costs and be more appealing in comparison to the cost of other funds.

Also, some funds have taken a lifestages investment approach, which guides the member from a more aggressive to conservative investment style through their working life.

“We need to consider MySuper in terms of what advantage these investment approaches give to members and indeed, whether they are good for them,” says Latto.

Another area of discussion will be death and disability insurance cover, which although adviser commissions have been removed, this has not always meant a decrease in premium rates.

“Are the providers really passing this saving on to members?” asks Latto.

Finally, concern over financial literacy and education for members prevail as the cost of delivering these services is from the funds consolidated administration fees across all employers.

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“Although current legislation prohibits this, would it not be more appropriate for these funds to be allocated only to the employer funds that provide the service?” asks Latta.

To register visit: www.wssa.asn.au/conference.

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About the WSSA

The Workplace Super Specialists Australia (WSSA) is the association that represents workplace superannuation specialist advisory businesses. WSSA members provide financial advisory services to thousands of corporate superannuation funds, across metropolitan and regional Australia, and play an essential role in managing Australia’s large and growing superannuation savings pool.

WSSA members work with Australian companies and their employees by bringing financial education to the workplace through structured programmes set in conjunction with employers and policy committees. This provides members with general advice and information to help them improve their decisions about retirement savings and life insurance choices.

WSSA also works with employers and policy committees to ensure members are getting competitive benefits and features, at a competitive price. Thousands of employees benefit from these services on an ongoing basis.