

Australian Super Made Easy Series Two

Transcript Episode One: Demystifying super

Summary: CAAMA Radio host Kyle Dowling speaks with AustralianSuper representative Darryl Florence on the basics of super – what it is, who has it, how to find out if you have any, how it works, and your employer’s obligations in paying you super. Introduction from AustralianSuper representative Sarah Adams.

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Content:

KYLE

Welcome to Australian Super Made Easy series 2 a six-part radio programme on superannuation brought to you by Australia’s largest super fund AustralianSuper. In this episode, we’re going to hear from Darryl Florence, who is an education manager with AustralianSuper based in Darwin. But first, let’s hear from Sarah Adams from AustralianSuper. Sarah is going to explain what listeners can expect to hear over the next six episodes.

Sarah Adams

I’m Sarah Adams, the group executive strategy, reputation and corporate affairs at AustralianSuper. I’m also the sponsor of our funds Reconciliation Action Plan. Today I’m calling in from Wurundjeri country. AustralianSuper is Australia’s leading superannuation fund. We are the largest and most trusted super fund in the country. We invest the super contributions made by Australians in a range of different assets in Australia and globally. Everything we do is with the purpose of helping members achieve their best financial position in retirement. We’re doing this series because Superannuation is your money. At retirement super is likely to be one of your biggest assets. And we want listeners to understand how the system works. Information about Super isn’t always taught in schools. So, we believe this series will help people understand the super system better. We want you to feel confident in understanding super. We want to help you feel confident in dealing with your superannuation fund. And we want to help you understand how to make the most of your super. This radio series will tell you a lot about Super, including what it is, how you can access it, how to make the most of it, what is insurance through super and how to make claims, and also how to deal with your superannuation fund. We have some AustralianSuper educators here for you to help make super easy.

KYLE

Thanks for that introduction, Sarah. We now turn to Darryl to kick off the series with today's topic, explaining superannuation. Let's start with the basics. What is superannuation?

DARRYL

Well, before I start, I have to quickly let you know that this discussion is general in nature, and doesn't take into account your individual needs and circumstances. And before making any financial decisions, you should consider if the information is right for you. So, Superannuation is a way of saving money while you're working so that you and your family will have money when you retire. Your employer or your boss pays any super you have earned into a super fund. And it's a super funds job to look after this money and invest it until you retire. This money is paid on top of your wages, you could say that your super account is a bit like your bank account. Only with tax advantages and strict rules on when you can take the money out. Generally, you can't take any money out of your super until you turn 60 and finish work. In some special circumstances. You can take money out earlier, but we'll talk about that in another programme.

KYLE

We're gonna head to a break now. We will hear more from Darryl Florence shortly.

Alan

Hey, it's Alan here and what I know about Super is that my work pay a percentage of my pay as super. And also I do my own contributions, which is going to be a benefit for me at retirement to sort of give me some sort of retirement fund.

KYLE

Welcome back to Australian Super Made Easy series two. I'm Kyle Dowling, and in this episode, I'm speaking with Daryl Florence from AustralianSuper in Darwin. Darryl who has superannuation, and how do I know if I have superannuation?

DARRYL

Generally, if you've earned any income, then your boss must pay super for you. Like I've said before, this is on top of your wages. But that's not always the case. There's some situations where you won't earn any super. For example, if you're under 18 and work

less than 30 hours a week, your boss doesn't have to pay super for you. And prior to 30 June 2022, you had to earn \$450 or more in a month to get paid super. That's changed now and from the first of July 2022. You will receive super contributions from your boss when you earn any wages in a month. Any Super you've earned must be written on your pay slip. Your pay slip will show not only how much super you've earned, but what superfund it's paid to as well. If you think you should have earned super and it's not on your pay slip, ask your boss or someone else you work with about it. Another way to tell if you're getting paid super is by checking with your super fund. Members of AustralianSuper can download a mobile phone app and register so that you'll get a message every time a contribution is paid into your Super account. This way, you will know when your boss is paying your super into your account for you.

KYLE

How is superannuation accumulated?

DARRYL

Generally, your boss puts 10 and a half percent of your wages into super for you. That means for every \$100 you earn, you get \$10.50 into your super for you. This rate is right until 30 June 2023. It'll then go up every year until it reaches 12%. In 2025. These contributions are taxed at 15%. And this is paid to the Tax Office. You can also put extra money into your super account as well if you want. If you do put in extra money into your super account from your take home pay or directly from your bank, this doesn't get taxed, and you might qualify to also get some extra money from the tax office. This extra money from the tax office is called the government co-contribution and means the government will match your contributions by up to 50%. But you only get it if you put in extra money on top of what your boss puts in for you. And you do have to do a tax return with the tax office for that year. Now there are limits for the government co-contribution. For example, in the 2022-23 financial year, once you earn more than \$42,016, the government will reduce the amount it matches until your total earnings are over \$57,016 per annum when it stops matching it completely. And if you earn less than \$37,000 per year in wages, then the tax office may also give you a payment of up to \$500 when you do your tax returns. This is called the low-income super tax offset and is based on the amount of tax that was deducted from your super contributions. All you need to do to claim this is to complete your tax return for the year. If you qualify. The low-income super tax offset will go straight into your super account. Now there are limits on how much you can put into your super. So, check with your super fund on how you can do that and how much you can put in.

KYLE

You're listening to Australian super Made Easy series two, we'll be back after these messages.

GILMORE

Superannuation is a way to save for your retirement. Generally, you will not be able to access this money until you retire. It is put away for you so that you can use it later in life. Your boss must make contributions to your superannuation fund throughout your working life. You need to have a chat with them when you start working with them about superannuation. It is important that you read materials provided to you by the superannuation fund that you may belong to. And know that you can tell them where you want your super to be paid to. If you do nothing and you do not have any existing stapled super fund, your super will go into a standard super fund that is chosen by your boss or someone else in the company you work for. The decision may not always be the most appropriate for you. So, make sure you keep up to date and informed. If you need any further information call ASIC's indigenous helpline on 1300 365 957.

KYLE

Welcome back to the show. You're listening to Australian super Made Easy series two. I'm Kyle Dowling and I have been speaking with Darryl Florence from AustralianSuper in Darwin. Darryl, what are my employers' obligations in paying super?

DARRYL

Your boss must pay super into a fund that you choose. In a few cases, you may not get a choice, but most often you will, your boss has to give you a form a superannuation standard choice form within month of you starting work. This form allows you to choose your own super fund if you want to. This form should also tell you what fund your boss has selected as their default fund, you could choose their default fund if you wanted to. If you don't make a choice, or don't return the form, your boss will check with the tax office to see if you already have an active Superfund. If you do, then they'll pay you super to that fund. If the tax office tells your boss that you don't have an active fund, then your super will be paid to the default fund listed on the standard choice form. Now, like I mentioned before, your boss has to pay 10 and a half percent of your wages, excluding overtime into a superfund and again, that means for every \$100 you own, your boss pays \$10.50 into your super account. Your boss has to pay this amount to your Superfund at the end of every quarter. That is by the end of July, October, January and April every year. They could pay your super more regularly than that, and that's a good thing for you if they do.

KYLE

Thanks very much for being here today. Darryl, where can listeners go if they have any questions?

DARRYL

There's a few places to get help on your super. First off, people can call AustralianSuper Helpline on 1300 300 273 Or there's the MoneySmart indigenous helpline on 1-300-365-957 or the Tax Office indigenous helpline on 1-3-1-0-3-0.

KYLE

We hope you found today's session useful, I know I have. Tune in to the next episode to learn about accessing your super and how you can get your super early if you are experiencing financial hardship.