



Planning

How super works

Your
step-by-step
guide



Australian Government



Moneysmart
.gov.au

About Moneysmart

We help people take control of their money, with free tools, tips and guidance on our website - moneysmart.gov.au.

This includes information and resources on superannuation.

Bank accounts



Credit cards



Insurance



Home loans



Personal loans



Superannuation



Investments



Retirement benefits



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What is super

Superannuation (super) is money that's set aside while you're working, that you can use when you retire. With super, you usually can't access it until you turn 60, even if you finish working before that age.

How super works

The money comes from your employer and is put into a super account in your name.

Think of your super account as like your bank account, but for your retirement savings instead of your other money.

The super fund invests the money held in super accounts. Investing means the super fund puts your money to work to help it grow over time.

Who pays your super

If you're eligible for super, your employer has to pay an extra amount to your super account on top of the money you take home from work.

The extra amount your employer has to pay to your super account is equal to 12% of your wages.

Some employers pay more than 12% to your super account. It depends on your employment contract.

What makes up your super

Your super can include:

- money your employer puts in
- extra money you add yourself
- extra money the super fund has made for you by investing your super.

Your super fund will also take out fees and charges, insurance premiums, and tax. These fees and costs can affect how your super account balance grows.

Explainer

01

The super fund
Is the business that looks after your super account.

02

Your super account
Is the account, in your name, that holds money for your retirement (like your bank account, but with your super fund).

03

Your investment options
Lets you decide how your super fund invests the money in your super account.

Why super matters

Super is a way to build up savings for your future. You usually have to wait until later in life to use this money.

The fund keeps your money and invests it on your behalf until:

- you choose to transfer it to a different super fund
- you reach a certain age and do something else with it, (like from age 60, if you leave a job you might open a transition to retirement account), or
- you retire or meet special rules, like if you're in serious financial trouble or need to pay medical expenses.

This helps make sure the money is there for your future.



How it works

If you earn \$50,000 a year, your employer pays 12% super on top – that's \$6,000 each year – into your super account.

Over time, the account balance grows as more money goes in and your fund invests it. By the time you stop working, this can add up to a large amount. The amount that it grows to depends on how much gets paid in, what fees you pay, how it's invested, and how long you have the account for.

Who gets super

Most people who work in Australia get super.

When your employer must pay super

Your employer must pay super if you're 18 years or older.

If you're under 18, you need to work more than 30 hours a week to automatically get super.

Your employer must pay super, whether you work full-time, part-time or casual. They must pay it at the same time they pay your wages (so, every pay day).

If you work for yourself

If you're self-employed as a sole trader or in a business partnership, no one pays super for you. You can put money into super yourself, but you don't have to. Paying yourself super helps build your savings for your future, just like people who work for an employer.

If you're a contractor

Even if you have an ABN, you might still have the right to get super. This applies when you're mainly paid for your time and effort, rather than

running your own business.

If you're not sure, talk to your employer. Or visit ato.gov.au and search 'employee or contractor super' to find information to help to work out if your employer needs to pay super.

Make sure you're being paid super

Sometimes employers don't pay super properly, so it's important to keep an eye on it. Here are some ways to check:

- Look at your payslip – it should show how much super your employer has paid.
- Ask your employer how much super they're paying and which fund it goes into. Check that they're paying it every pay day.
- Call your super fund to confirm they're getting the payments.
- Log in to your super account, via your super fund's website or app.
- Check through myGov – link your account to the Australian Taxation Office (ATO) to see how much super your employer paid. You can also check any other super accounts you have.



Smart tip

See how much super you should get paid

Look at your employment contract or letter of offer, it should show how much super your employer needs to pay into your super account.

Where to get help



Worried your employer isn't paying the right super?

Visit ato.gov.au for help checking what you're owed.



Case study

Jay checks on his super

Jay has been working at the local supermarket for a few months. He saw super listed on his payslip but wanted to be sure his employer was paying it. So, Jay asked his employer which super fund they used and then called the fund. The fund confirmed that his employer had been making the payments. Jay also downloaded the super fund's app and registered so he can keep an eye on his super account online. Now he feels more confident about managing his super.

How to choose a super fund

Choosing your own super fund puts you in control of your retirement savings.

Super funds aren't all the same. Some charge higher fees, and some do a better job of growing the money in your super account over time.

Choosing a fund that suits you can help you save more.

If you don't choose a super fund, your employer will pick one and open a super account for you.

You can choose a new super fund any time

You can choose your super fund when you:

- start a new job – you can either stick with your existing fund if you have one, or pick a new one (but keep in mind that having more than one super account can mean paying more than one set of fees)
- decide to change because a different fund suits you better.



What to look for in a super fund

When you compare super funds, think about:



Fees

Lower fees can help your super account balance grow faster.



Growth over time

Check how the fund worked to grow the savings of its members over the past 5 to 10 years (see how to compare below, and remember, past performance is not an indicator of future performance). People often call this long-term returns or long-term performance.



Insurance

Super funds usually include insurance, which pays money if you die or can't work due to illness or injury. Your super fund automatically takes insurance premiums from your super account, and you can see these in your account statement.

Check what insurance cover is included, how much it costs, and whether it suits your needs.



Investment options

Super funds offer different ways to invest the money in your super account. Some investment options are lower risk, meaning your account balance may grow slower over time. Others are higher risk, meaning your account balance may grow faster but can go up and down more. Check what investment options are available and what suits you.



Tools and support

Some super funds have online tools, apps or advice services that make it easier to keep track of your super.

Where to compare super funds

Government comparison tool

You can use the YourSuper comparison tool on the ATO website to compare super funds for free.

The government runs the independent and easy-to-use YourSuper tool. You can compare funds side by side, see their fees, and check how they've grown over time. The tool doesn't compare all super accounts. It focuses on simple MySuper products.

Visit ato.gov.au and search 'YourSuper' to find the tool.

What is a MySuper product?

MySuper products are super accounts with low fees and basic features.

Other comparison websites

You can also use other websites to compare super funds and investment options. These websites help you see more choices and different features. Some well-known websites include:

- Canstar
- Chant West
- Morningstar
- SuperRatings.

Some comparison websites are free, while others cost you money for extra details. They can be useful, but they are businesses and may make money from promoted links. They may not show every option. They also use their own assessment criteria and score things differently, so rating can vary between sites. Use them as a guide, not your only source.

How to let your employer know your choice

If you decide to choose your super fund, there are a few simple ways to let your employer know where to pay your super:

Through your employer's system

Many workplaces have their own forms or online portals for you to give your super fund details when you start work. Ask your employer what systems they use.

Through your super fund

Some funds have forms or online tools you can use to send your details straight to your employer.

Using the ATO's superannuation standard choice form

You can download this form, fill it in, and hand it to your employer. Visit ato.gov.au and search 'superannuation standard choice form'. You can also pre-fill this form by logging into myGov.



Smart tip

Make sure your details are correct on your super statement

When you receive your first letter or email from your super fund, you should check to make sure your name and date of birth are recorded accurately. If your name is spelled incorrectly, or your date of birth is wrong, it's important to contact your super fund and correct this information.

If the information is wrong, it can be hard to access your super later on. The details should match with the details on your photo identification, like your driver's licence.

Find out more in the 'Super and your ID' section of this booklet.

How to find your super

It's easy to lose track of your super over time, but it's important to know where your super is so you can use it in the future. Knowing where it is can help you get the most out of it.

Why super gets lost

You can accidentally lose track of your super when you change jobs, move house, or open a new super account without closing the old one.

Over time, this can lead to multiple accounts or lost money from super sitting with the ATO. It's more common than you might think.

Use myGov to find your super

The simplest way to find all your super is through myGov – my.gov.au. It's a secure government website that lets you see and manage information from the ATO and other government services all in one place.

01

First, log in to myGov or create an account if you don't have one.

02

Then link your myGov account to the ATO. The ATO keeps a record of your super accounts.

03

Once you've linked the ATO, you can look up all your super in one place. This includes any super accounts you've lost track of, or money from super the ATO is holding for you.

Can't find your super using MyGov?

If you can't find your super using myGov, call the ATO's automated Super Search line on 13 28 65.

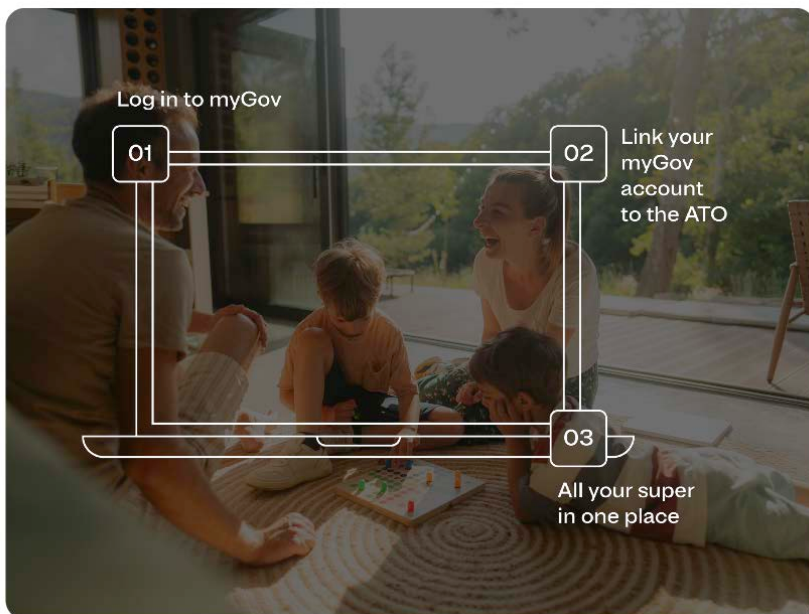
Or to speak with an ATO customer service representative, call 13 10 20 between 8 am and 6 pm, Monday to Friday.

If you find more than one super account

If you find more than one super account, you can usually combine them into one through myGov.

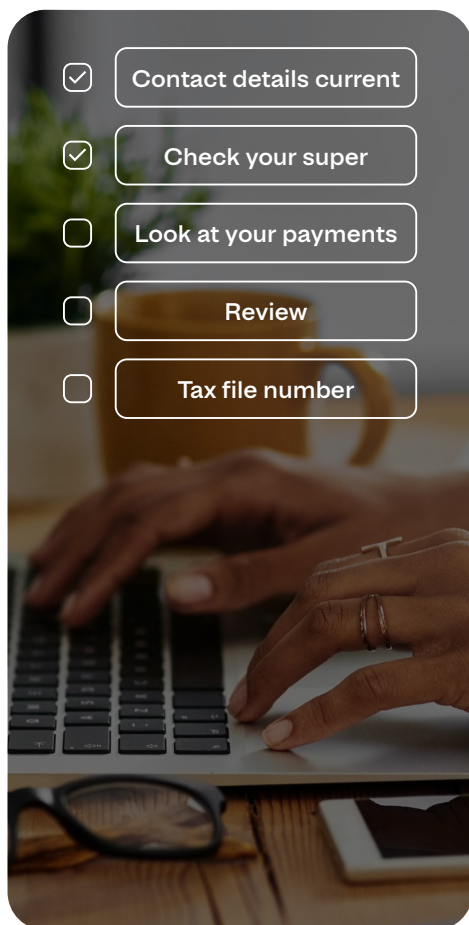
Having one super account often makes it easier to keep track of your super and can save on fees. Before combining accounts, check if you have insurance with any of them.

Closing an account may mean losing insurance cover. If you're worried about losing insurance cover, talk to the super fund you want to stay with about it.



How to **keep up to date** with your super

Keeping up to date with your super means you know what's happening with your retirement savings. It helps you pick up little problems early and could save you from bigger ones later.



Keep your contact details current

Make sure your super fund has your current address, email and mobile number. This helps them send you statements and updates for your super account, and contact you if they have questions.

Check your super regularly

Log in to myGov at my.gov.au or your super fund's website to check your super account balance and recent payments. You can also download your super fund's app. You should get a statement sent to you by post or email once a year. This shows your balance, contributions, fees and insurance.

Make sure payments are going through

If you're working, check that your employer is paying the right amount into your super. You can see these payments on your payslip, by checking with your super fund, or in myGov. Spotting any problems early can make them easier to fix.

Review your insurance and beneficiaries

Your super may include insurance, like life cover or income protection. Check it every now and then to make sure it still suits you. You can also name beneficiaries – the people who'll get your super and insurance (if you have any) if you pass away. Keeping this up to date helps make sure your money goes where you want it.

Make sure your fund has your tax file number

Your tax file number (TFN) helps link your tax and super records. Make sure your super fund has it because it helps you:

- find any lost super more easily
- avoid paying more tax than you need to
- get any government contributions you're entitled to.

If you don't have a TFN or don't know what yours is, visit ato.gov.au and search 'TFN' for help.



How to put **extra money** into super

If you can, adding a bit of extra money to your super can give your account balance a boost. Over time, this can make a real difference to how much money you have later.

There are a few different ways to put extra money into your super account. Choose a way that works best for you.

Only put in money you don't need until later. Once you put money into your super, you usually can't take it out until you're at least 60 years old.

Add your own money

Government payments

Spouse contributions

Downsizer contributions

Add your own money

You can grow your super by adding extra money yourself.

Some people ask their boss to put extra from their pay into super before tax. Others add money to their super themselves from their after-tax pay.

Government payments

The government may also put money into your super if you meet certain conditions:

- Government co-contribution
 - If you earn below the income limit for the co-contribution and add some of your own after-tax money to super, the government may give your super a boost of up to \$500.
- Low Income Super Tax Offset (LISTO) – If you earn below the LISTO income limit, the government may add up to \$500 a year to your super automatically.

Spouse contributions

Your partner can sometimes add money to your super account to help grow your savings. This can help if you're earning less than them or haven't been working for a while. There are rules about this.

Downsizer contributions

If you sell your family home later in life, you might be able to put some of the money from selling it into your super.

More ways to grow your super



Visit moneysmart.gov.au and search 'grow your super' to learn more about all these ways of putting money in your super account.



Case study

Kelly adds a bit extra

Kelly has been working part-time as a teacher aide at her local school for 14 years. She has paid off all her debts and knows she will retire soon. She decides to put an extra \$20 from her after-tax pay into her super account each week. She checks the ATO website and sees she qualifies for the Government Co-contribution.

Over the whole year Kelly puts over \$1,000 extra into her super account. And at the end of the year, the government puts an extra \$500 into her super account.

By adding a little now, and getting a top-up from the government, Kelly grows her super faster for retirement.

Insurance you might have in your super

Most super funds include insurance to help protect you and your family if something goes wrong. It's there to help when you need it most.

Types of insurance in super

Most super funds include a few different types of insurance:

01

Life insurance (sometimes called death cover) – pays money to your family or another person you choose when you pass away, or if doctors tell you that you have a terminal illness.

02

Total and permanent disability (TPD) insurance – gives you a payout if you get badly hurt or become very ill and can't ever work again.

03

Income protection insurance – replaces part of your income for a while if you can't work because of illness or injury.

How it works

Most super funds automatically include insurance, so you might already have cover and not know it.

Your fund pays your insurance premiums straight from your super account, so you don't need to budget for the cost yourself. This keeps things simple, but it also means the cost of the insurance is coming out of your future retirement savings. You can change or cancel your insurance cover anytime if it doesn't suit you.

Check what insurance cover you have

Make sure you know what insurance you have through your super – and think about whether it still suits you.

Here are some ways to check your cover:

- Look at your super account's annual statement – it shows the type of insurance you have, what it covers, and what you pay for it.
- Log in to your super fund's website or app – many funds show your insurance details online.
- Call your super fund – they can explain your cover, costs, and how to change it if you need to.

When you look at your insurance, ask yourself:

- Does it still suit what I need?
- Would my family have enough money if I couldn't work or passed away?
- Am I paying for insurance I don't need?
- What would I need to do to access my insurance if I need to claim on it?

If something doesn't seem right, contact your super fund straight away so you can talk to them about changing or cancelling your cover.

When your insurance cover might change or stop

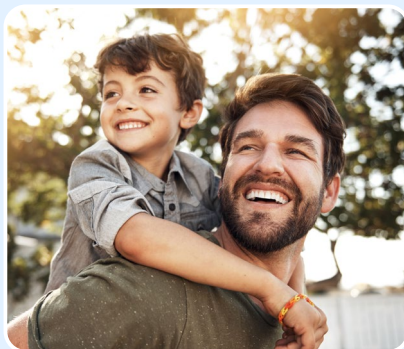
Your insurance cover through your super might change or stop if:

- you move to a different super fund
- your super account balance gets too low
- your employer stops paying super or you stop working for a while
- you close your super account, or it becomes inactive.

Your super fund usually tells you before they cancel your insurance, but it's worth checking so you don't get caught out.

Keep your insurance cover up to date

Check your insurance every so often to make sure it still suits your needs. If you get married, have kids or take on a mortgage, you might need more cover. When your kids grow up or you pay off debts, you might not need as much.



Case study

Darren checks his insurance

Darren recently changed jobs and opened a new super account with a different fund. Darren thought his insurance cover moved with him. When he checked his new super fund, he saw it didn't include the same insurance he had before.

Darren called the fund and set up insurance cover that matched his needs. Now he knows his family has support if something happens to him.

Where to get help



If you're unsure about your insurance or have issues with your super fund, contact:

- **Centrelink Financial Information Service** – free independent information on super and insurance. Visit servicesaustralia.gov.au and search 'financial information service' or call 13 23 00.
- **Insurance Law Services (Financial Rights Legal Service)** – free legal advice on insurance. Call 1300 663 464.
- **Local legal service** – help with disputes with your fund or insurer.
- **Australian Financial Complaints Authority (AFCA)** – complaints about super and insurance. Visit afca.org.au or call 1800 931 678.
- **Local financial counsellor** – free support if you're in financial hardship or struggling with money. Visit afsa.gov.au and search 'financial counsellor' to find one near you.
- **National Debt Helpline** – help managing debt. Visit ndh.org.au or call 1800 007 007.
- **Rural Financial Counselling Service Program** – free financial counselling for eligible farmers, fishers and foresters. Visit agriculture.gov.au and search 'RFCS' to find out more.



How to access your super

Super is meant for your retirement, and there are rules around when you can access it.

Accessing your super when you retire

You can retire at any age, but you can generally only take money from your super account once you've stopped working and turned 60.

Once you reach 65, you can take money from your super account at any time – whether you're still working or not.

When the time comes to access your super, you can usually take the money in one of 3 ways:

- Regular payments – Get a steady income from your super money.
- Lump sum – Take some or all the money in your super account at once.
- A mix of both – Access part of your super as income and part as a lump sum.

The way you take money from your super account, and how much you take can affect how long your money lasts, so it's a good idea to understand your options before you decide.

For help with planning, visit moneysmart.gov.au and search 'retirement planner'.

You can also talk to a Financial Information Service officer at Centrelink for free. Visit servicesaustralia.gov.au and search 'financial information service' for more information.



Smart tip

Stay alert to scams

Super scams keep changing – from fake offers to access your super early to people asking for your personal details. Don't make any quick decisions. If something doesn't feel right, stop and check first.

For more information on financial scams, go to moneysmart.gov.au and search 'financial scams'.

To report a scam, visit scamwatch.gov.au

Accessing your super early

In some special situations, you might be able to access your super early. If you take money from your super account early due to financial hardship or on compassionate grounds, you will usually pay more tax on the money you take than you would if you wait until you are 60.

Severe financial hardship

You may be able to take out some money from your super account if you've been getting eligible government payments for a while and still can't cover your day-to-day expenses.

Compassionate grounds

You may be able to use the money in your super account to pay for things like medical treatment, funeral costs, or changes to your home or car because of a disability.

Permanent incapacity

If you've had a serious illness or injury that stops you from working again, you may be able to access the money in your super account early. If you have insurance with your super fund, you might also be able to get a benefit.

Temporary incapacity

If you've temporarily stopped work due to physical or mental ill health, you may be able to access some of the money in your super account.

Terminal illness

If doctors say you have a terminal illness and you're likely to pass away within 24 months, you can usually take the money in your super account early. You might also be able to get a benefit through insurance with your super fund.

Other special cases

First Home Super Saver Scheme – lets you withdraw extra contributions you've made to your super account to help you buy or build your first home.

Temporary residents – if you worked in Australia on a temporary visa, you can usually take out all the money in your super account when you leave Australia.

Small balances – if your super account balance is under \$200 and you leave your job, or find a lost account under \$200, you can take the money out.

For more information, call the ATO on 13 10 20 or visit ato.gov.au and search 'early access to super'.

Using your super lump sum safely

Receiving your super as a lump sum can open up opportunities, but it can also come with pressure or big decisions.

Before you spend or share the money, take some time to think about what you want for yourself, your family, and your future.

If it feels right, talk things through with someone you trust, such as a family member, financial counsellor or community worker.

It's okay to take your time. You don't need to make decisions straight away.

Keep your money and information safe

Keeping the details of your payment private can also help protect you from pressure, scams or financial abuse.

Remember, you're allowed to say 'no', take your time, and make decisions that keep you and your wellbeing strong.

How the payment could affect other support

A lump-sum payment can affect other money you receive, including Centrelink payments, or support programs.

It's a good idea to ask Services Australia, the ATO, or a financial counsellor how your super payment might change your situation.

Super and your ID

You'll need to prove who you are before your super fund can talk to you about your super account, make changes, or pay you money from your super. This helps keep your super account and personal details safe.

How funds use your details

Your super fund and the ATO use your personal details to match your super account to you. Each fund has its own process for checking your identification (ID), but they all must follow laws that protect your super account.

What you might need to show

- 01 Photo ID, like a driver's licence or proof-of-age card
- 02 Passport
- 03 Medicare card
- 04 Birth certificate
- 05 A recent bill or government letter with your name and address on it.

Check with your super fund about what ID they need and how to send it to them. You might be able to show your ID in person, upload a copy of it online, or send a copy through the post.

If you don't have the requested ID

It's okay if you don't have all the requested ID documents. Super funds can often accept other documents that prove who you are, such as:

- a referee statement from a teacher, doctor or police officer
- a letter from Centrelink, Services Australia or Corrective Services
- a community card from an Aboriginal or Torres Strait Islander organisation.

Always ask your super fund what documents they can accept. They must have fair and flexible ways to check who you are so you can manage your super account safely.

Where to get help



If your super fund makes it hard to confirm who you are, there are places you can go for help talk to a local financial counsellor.

Visit afsa.gov.au and search 'financial counsellor' to find one near you.



Smart tip

Keep your details organised

Keep your identification and tax documents in a safe place and let your trusted family members know where they are. And try to use the same name and spelling on all important forms. It helps your fund match your details and avoid delays.



Case study

Amina fixes a name mix-up

When Amina tried to log in to her super account online, the fund couldn't match her details. Her account was set up years ago using a different spelling of her name, so the fund asked her to confirm her identity before they could update anything.

Amina called her super fund and asked what they needed. The fund explained which documents were accepted and how to send them in securely. Amina provided copies of her Medicare card and a recent bill with her current address, plus a referee statement signed by a police officer.

Once the fund updated her details, Amina was able to access her account and make changes without delays.

Your super if you pass away

Your super can continue to help others even after you're gone. The money you've saved in your super account – and any insurance benefits through your super fund – goes to your beneficiaries. Planning ahead helps make sure it reaches the right people.

What's paid out

Your super fund pays out the money in your super account, plus any insurance benefits linked to it.

Together, this is called your death benefit.

Who gets your super

By law, a death benefit from your super fund can only be paid to certain people. These people include:

- your husband, wife, or partner (including de facto and same-sex partners)
- your children (including adopted and stepchildren)
- anyone who relies on you for financial or personal support.

If you want the benefit to go to someone else, talk to your super fund about your options. This includes telling your fund who you do not want the money to go to (for example, a previous spouse, including where you may be separated but not formally divorced).

If you don't tell your super fund who will get the death benefit through a binding nomination, the super fund decides based on super laws and its own rules. That might not match what you want or could delay payments to your family.

If you tell your super fund who should get your death benefit when you pass away, the fund will be able to pay them faster.

How to tell your super fund who gets your super

It's not enough to include instructions about your super in your will. You also need to tell your super fund.

You can do this by filling in a beneficiary nomination form through your super fund.

- A binding nomination means your super fund must pay the death benefit to the people you choose (as long as they're eligible).
- A non-binding nomination is more of a guide on who gets the death benefit – your super fund considers your wishes but may make a different decision.

Ask your super fund for the right form and ask how often you need to update it.

Some binding nominations are for set periods of time, so it's important to ask if your nomination will run out (or lapse).

Where to get help



Who gets your super if you pass away is an important decision. If you need information or support, you can:

- talk to a Financial Information Service officer at Centrelink for free information about super and retirement
- speak with your super fund's member services team
- get independent legal advice if you're unsure about nominations or wills.



Case study

Natalie plans ahead

Natalie has been raising her 2 nieces since their mum passed away. She wants to make sure they're looked after if something happens to her.

Natalie called her super fund and filled out a binding nomination form listing her husband, 3 kids, and her nieces. Now she knows her super will go to the people who matter most to her.

What happens to my family member's super if they pass away?

If a family member passes away, you might be able to access the money (plus any insurance benefits they had) in their super account (called a death benefit).

The easiest way to start this process is to contact the family member's super fund. They can give you information on how to apply to access their super.

There are rules about the people a super fund can pay a death benefit to.

- If the family member who passed away made a binding death benefit nomination and you are the nominated beneficiary, the death benefit must be paid to you.
- If there's no binding nomination, the super fund will talk to family members and decide who will be paid the death benefit.

Visit moneysmart.gov.au and search '**claiming a super death benefit**' to find out more about how it works.

If you don't know which super fund your family member was in, you can contact the ATO on 13 10 20, or the ATO's Indigenous Helpline on 13 10 30. They may be able to ask your family member's super fund to contact you.



Smart tip

Talk to your family members about their super

If your family member passes away before they can access their super, it can be easier to claim it if you know which fund they're with.

Ask them which super fund they use, and keep a record in case the worst happens.

Super may also be paid out faster if they've made a binding death benefit nomination. Check if they have one in place.

If you have a **problem** with your super fund

If something doesn't look right with your super – maybe a missing payment, a delay, or a decision you don't agree with – you can take steps to fix it.

Talk to your super fund first

Start by contacting your super fund. Tell them what happened and how you want it fixed. You can call, email or write to them.

If you are still not happy

If your super fund doesn't get back to you within 90 days, or you're still not happy, contact the Australian Financial Complaints Authority (AFCA).

AFCA is free, fair and independent. It helps people and super funds resolve disputes.

Visit afca.org.au or call 1800 931 678 for help.



Smart tip

Don't wait too long to take action

Some complaints have time limits, so follow up as soon as you can.

If you need help

Financial counselling is a free and confidential service offered by not-for-profit community organisations.

A financial counsellor can help you if you're not sure about what to say to your super fund. Visit afsa.gov.au and search 'financial counsellor' to find someone near you.

Where to find out more

If you need more help with your super, there are trusted places you can contact for free.

Australian Securities and Investments Commission

Visit ASIC's moneysmart.gov.au website.

ASIC can help you:

- with general information about super
- find a free local financial counsellor for advice and support
- report anyone offering to access your super early for a fee.

Australian Taxation Office (ATO)

Visit ato.gov.au.

The ATO can help you:

- check if your employer has paid your super
- get or find your Tax File Number (TFN)
- track down lost or unclaimed super.

Disclaimer

The information in this booklet is for general information only. You should consider seeking independent legal, financial, taxation or other advice for your circumstances.

ASIC Customer Contact Centre: 1300 300 630