



MEDIA RELEASE

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YOUR SUPERANNUATION, YOUR CHOICE

The Financial Services Council (FSC) has today called on Parliament to pass legislation to extend superannuation choice to all employees.

FSC CEO Sally Loane said the FSC is strongly supportive of the measures contained in the *Treasury Laws Amendment (Your Superannuation, Your Choice) Bill 2019* but submits that the Bill should be amended to ensure all workers have the benefit of choice as soon as possible.

“It’s unacceptable after nearly 30 years of our compulsory system that workplace agreements are still allowed to force employees into a particular super fund, and prevent employees from having their Superannuation Guarantee payments made into a fund of their choosing,” Ms Loane said.

“The prevention of choice under the current arrangements forces many Australians into new funds they did not choose, creating problems for individuals such as those who have a self managed super funds, made specific investment choices in their existing fund or have chosen insurance levels, effectively forcing these individuals to maintain multiple super accounts.

“Multiple independent inquiries have found that Australians are significantly worse off at retirement if they are required by outdated laws to keep multiple super accounts.

Productivity Commission modelling suggests an individual with two accounts for their whole working life will be 6 per cent worse off at retirement (or \$51,000 worse off) compared to an individual with only one account.

“We don’t have laws which force people into particular banks, why does this still exist for super, one of the biggest assets Australians will have?”

“The FSC is a long-standing supporter of choice in superannuation and has consistently advocated for the removal of restrictions on superannuation choice in workplace agreements.

Read the full FSC submission to the Senate Economics Committee

<https://fsc.org.au/resources/1906-fsc-submission-your-super-your-choice-jan-2019-final/file>

Contact: Esther Jago on 0421 102 944 or ejago@fsc.org.au

About the Financial Services Council

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing almost \$3 trillion on behalf of more than 14.8 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world.