



CHOICE OF FUND

FACT SHEET

WHAT IS CHOICE OF FUND?

Choice of Fund was offered to employees under the Superannuation Guarantee legislation from 1 July 2005 and extended to employees working for corporations under former state awards from 1 July 2006.

Employees employed under an Australian Workplace Agreement or state-certified agreement that provides superannuation support **do not** fall under the current Choice of Fund requirements.

CAN AN EMPLOYEE NOMINATE THEIR OWN SUPER FUND OF CHOICE?

Yes, if they are;

- Employed under a federal award
- Employed under a former state award ('notional agreement preserving state award')
- Employed under another award or agreement or industrial agreement which does not have superannuation support, or
- Not employed under any state award or industrial agreement (including if they are a contractor paid principally for their labour).

A *Standard Choice Form* must be given to employees who become eligible for Choice of Fund.

WHO GETS A STANDARD CHOICE FORM?

A *Standard Choice Form* must be given to employees who become eligible for Choice of Fund within 28 days of the following:

- New employee's first day of employment
- If an existing employee asks for a form
- If you change your default superannuation fund, or
- If you are unable to continue to contribute to a nominated superannuation fund or if your nominated fund becomes non-complying under Superannuation Guarantee legislation.

As an employer you must nominate a superannuation fund for all employees who do not nominate a super fund for themselves. The details of **your default super fund** need to be included on the *Standard Choice Form*.

WHAT IS A 'DEFAULT' SUPER FUND?

The default super fund you choose must be a complying fund that offers member's a minimum level of insurance cover.

BUSS(Q) meets the Choice of Fund legislation requirements. You can download a pre-populated *Standard Choice Form* from our website at www.bussq.com.au, alternatively you can download a blank *Standard Choice Form* from the Australian Taxation Office website – www.ato.gov.au/super.

WHEN DO I START MAKING PAYMENTS?

After your employee has made a choice you are required to start making payments to their nominated fund within two months of their choice being made.

If your employee elects their own fund of choice they are required to give you confirmation in writing of the following:

- The fund contact details
- A statement from the fund stating that it is a complying superannuation fund, and

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- Evidence that the fund is able to accept employer contributions.

If your employee has not provided sufficient details of their fund of choice you can refuse to act on their choice.

WHAT SORT OF RECORDS DO I NEED TO KEEP?

You are required to maintain records under the Choice of Fund legislation. Your records must show you have met your obligations by including:

- Verification that employees who are eligible for Choice of Fund have been given a *Standard Choice Form* within 28 days of their start date
- Details of those employees who do not have to be offered a choice of super fund
- Receipts, or other documentation, issued by a super fund that verifies you have made super contributions to an employee's chosen fund, and
- Records confirming that your default super fund is a complying fund and meets the life insurance requirements under the Choice of Fund legislation.

ARE THERE ANY PENALTIES FOR NON-COMPLIANCE?

Yes, there are penalties if you don't comply with the Choice of Fund legislation. "Choice liability" is part of the Superannuation Guarantee Charge. This is the penalty you may be liable to pay if you do not meet your Choice of Fund obligations

Penalties apply if you have:

- Paid Superannuation Guarantee contributions for your employee but not to the fund chosen by them, or
- Failed to give your eligible employees a *Standard Choice Form* in the required timeframe.

If you have any further questions about Choice of Fund please give us a call on **1800 BUSSQ (1800 692 877)**.



IMPORTANT INFORMATION The advice supplied in this fact sheet is general advice only and does not take into account or consider your personal objectives, financial situation or needs. Before acting on this information, you should consider the appropriateness of the information to your individual needs or seek independent advice from a properly qualified professional. BUSS(Q) offers members advice in relation to their superannuation, at no extra cost to the member, as the cost of the advice is included in the fund's administration fee. The advice is provided by either BUSS(Q)'s in-house financial adviser or by Money Solutions. Before acquisition of a BUSS(Q) product, a Product Disclosure Statement should be obtained. A copy of BUSS(Q)'s Financial Services Guide and Product Disclosure Statements may be downloaded from the BUSS(Q) website www.bussq.com.au or you can request a copy by contacting BUSS(Q) on **1800 MY BUSSQ (1800 692 877)**. Licence and registration numbers for: BUSS(Queensland) Pty Ltd ABN 15 065 081 281; AFS Licence 237860; BUSS(Q) ABN 85 571 332 201 Money Solutions Pty Limited AFS Licence No. 258145. Information in this fact sheet is correct as at 14 December 2011.

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