

Super for when you're starting out

What is super?

- It's savings for your retirement.
- Your employer legally has to make contributions into your super account. This is called the superannuation guarantee (SG).
- The super guarantee is currently 11% of your wages (not including overtime) until the end of June 2024, at which time it will increase to 11.5%.

When does an employer need to pay super?

- **If you are 18 years or over:** super is paid regardless of how many hours you work.
- **If you are under 18:** If you work at least 30 hours a week.

Source: 'Your superannuation basics', ato.gov.au.

Can I choose where my super is paid?

- Yes, in most cases you can choose your super fund.
- You can switch to BUSSQ at any time*.

* Exceptions include some public sector employees and people employed under some State awards and EBAs.

For more information on choosing where your super is paid visit the ato.gov.au website.

Why your super fund choice matters

Since 1 November 2021, all working Australians have been attached ('stapled') to one super fund, unless they choose otherwise. While being stapled to a super fund has potential fee and cost saving benefits for workers, for young members and those with small account balances a possible downside includes being unknowingly stapled to a fund that doesn't provide them with default insurance cover.

Current law prevents super funds from providing insurance to members under age 25, and/or whose account balance

is less than \$6,000, unless the member elects in writing to have insurance cover.

The dangerous occupation exception allows super funds to elect that members employed in high risk occupations can be provided with insurance cover even if they are under age 25 and/or have an account balance of less than \$6,000.

As BUSSQ members work in high risk occupations, the Trustee of BUSSQ has elected to provide default insurance cover to members when they join. For more information on our insurance offering, see the MySuper and Premium Choice Product Disclosure Statements and the *BUSSQ Insurance Handbook* available on bussq.com.au.

Case Example

Alex (21) is a first-year plumbing apprentice in the building and construction industry, who only worked in a retail role part time beforehand. When Alex started his apprenticeship, he didn't complete a choice of fund form to tell his employer what super fund he wanted his super guarantee (SG) contributions paid into.

As his employer didn't receive Alex's choice of fund form, they were required to check if he had an existing 'stapled' super fund to make those SG contributions to. The employer did find Alex's stapled super fund, however Alex had no default insurance cover because of his age and low balance, and he hadn't elected to have insurance cover in that fund.

One day Alex experienced an accident on the job, which sadly left him with a permanent disability and unable to work. When he lodged an insurance claim with his super fund (being that same 'stapled' fund from his retail working days), they unfortunately rejected his claim because he had no insurance cover.

Had Alex chosen a super fund that provided default insurance cover for his high-risk occupation, and told his employer, he may have been able to receive and make an insurance claim in this instance.

Super for when you're starting out

Why combine your super accounts?

Did you know having multiple super accounts means you'll be paying more in fees and charges. To avoid this and save money, it's important to consider transferring your super into one account. It'll also be easier to keep track of your retirement savings.

If you would like to transfer your other super accounts into BUSSQ, simply go to bussq.com.au/super/supersearch and follow the prompts.

Remember that transferring your super closes your account with the other super fund, so make sure your employer is paying into your BUSSQ account first. It's a good idea to check with your other fund to see if there are any insurance benefits you're giving up when you transfer your super to BUSSQ. We may be able to transfer your insurance cover before you close your other accounts. If you would like to do this give us a call.

If you don't have access online call BUSSQ on **1800 692 877** and ask us to help you transfer your super.

Can I stay with BUSSQ once I finish my training?

Yes, you can stay with BUSSQ once you finish your apprenticeship. You can take us with you when you change employers by telling your new employer that your super fund of choice is BUSSQ.

There are many benefits to staying with BUSSQ, including our insurance which has been designed specifically for workers in the industry.

Super co-contribution

The co-contribution is a payment made by the government into your super account. The government will contribute a maximum of \$0.50 for every \$1 you contribute, to a maximum of \$500, depending on your assessable income in a financial year:

- **Less than \$43,445* p.a.:** You could be entitled to a maximum super co-contribution of \$500.
- **Between \$43,445 - \$58,445* p.a.:** The maximum government super co-contribution reduces on a sliding scale.

* These amounts relate to the 2023/24 financial year.

Low income super tax offset

The purpose of the Low Income Super Tax Offset (LISTO) is to reduce tax on superannuation contributions for low income earners.

This means if you earn less than \$37,000 each year and have provided your tax file number (TFN) to your super fund, you'll be able to receive a refund from the government, of up to \$500 of the tax you paid on any concessional (before-tax) contributions made to your super account.

For further information, including how to work out if you're eligible for either the super co-contribution or the LISTO, visit the ato.gov.au or call us on **1800 692 877**.

Not a member of BUSSQ?



To join simply scan this QR code.



Want more?

For more information about any of the above call us on **1800 682 877** or visit bussq.com.au.

Why choose BUSSQ?

 Personalised customer service	 National Fund	 Strong investment returns	 Investment choice	 Financial advice	 Flexible insurance
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