

Thursday 18 July 2019

Auto-rollover super will win returns for workers

The peak body for working people has backed a proposal that will reap an extra \$416.3 billion in superannuation for working people over the next 25 years, according to KPMG modelling.

The automatic rollover system will eliminate unintended multiple accounts.

A member's money will follow them through their working life, rather than being stuck in a possibly inappropriate fund as would happen under the alternative "fund for life" model where new entrants to the workforce would remain in the fund they first join.

It would also address multiple accounts held by current workers rather than only applying to new entrants to the workforce as the alternative model does.

The KPMG modelling shows that underperforming funds will face pressure to either merge or wind-up as members' savings are regularly promoted to quality-checked high performing funds.

The proposal would save \$47.3 billion in fees - \$4 billion more than the "fund for life" proposal.

Polling shows 71 percent of Australians support the auto-rollover proposal.

Quotes attributable to ACTU Assistant Secretary Scott Connolly:

"This independent research by KPMG shows that working people need an automatic rollover system to get the most out of their superannuation.

"It will deliver higher-performing funds, maximise member benefits and result in greater retirement savings for working people.

"It's clearly superior to the alternative proposal which doesn't consolidate existing accounts for people already in the workforce, fails to quality-check funds over time, and does not deliver the higher retirement savings that this model does.

"The Morrison Government has promised to end their super 'culture wars'.

"It's time for them to back that sentiment with action and implement this sensible reform to maximise the retirement savings of working people, rather than protecting the big banks by delaying action on this recommendation from the Hayne Royal Commission."

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