

# People Matters



Issue 4, March 2005

Welcome to our March newsletter. This issue raises some of the potential issues to be dealt with when Superannuation Choice of Fund legislation takes effect on 1 July. On a lighter note we also remind you of some very effective words that are often neglected.

## Team Communication

6 most important words:  
**I admit I made a mistake.**

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5 most important words:  
**You did a great job.**

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4 most important words:  
**What do you think?**

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3 most important words:  
**Do you mind (if...**

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2 most important words:  
**Thank You.**

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...and the MOST important word of all:  
**WE**

Do you have a question you would like answered? Let us know - your suggestions for topics are welcome.

If someone else in your business may be interested in People Matters please forward a copy to them.

## Will your employees have Choice?

From 1 July 2005 most employees will be able to choose which fund they would like their superannuation guarantee (currently 9%) to be paid into.

Excluded employees include those for whom contributions are made under either a state award or agreement, an AWA or CA.

Contributions for an employee who does not make a choice will need to be made into an eligible choice fund. Therefore you will need to nominate a suitable default fund. This fund must also offer a minimum level of life insurance cover, with benefits based on age.

Before 29 July 2005 employers will need to give all existing eligible employees a 'standard choice form'. This form must advise employees they can choose their own fund, as well as informing them of the name of the employer's default fund should they decide not to exercise choice. (Other information will also need to be included.)

New employees must receive the standard choice form within 28 days of commencing.

Be aware - should an employee ask you or your managers for a recommendation on a fund to join, you may only provide information about the chosen default fund. **Giving advice and/or fund comparisons is illegal unless you are a certified Financial Planner.**

Payments to the chosen fund must be made within two months. Failure to make required contributions will incur a 'choice penalty'.

Existing Superannuation Guarantee and tax deadlines will continue to apply, and records of the employees nomination must be kept for five years.