

BUDGET UPDATE 2020-2021 FACTSHEET



The Budget at a glance

The Federal Budget announcement for 2020-21 included changes to super which aims to benefit members, holding underperforming funds to account and increase accountability and transparency.

In this Factsheet, we look at the Government's commitment in making super work harder for all Australian's to increase their retirement savings.

Your superannuation follows you

The Government's **Your Future, Your Super*** proposed reforms will see Australians save \$17.9 billion over the next decade. Commencing on **1 July 2021** the Government's proposed reforms is aimed at making your super work harder for you. Here is what you need to know.

1 'Stapling' your super fund

Members will be able to have their super 'stapled' to them when they change jobs. This means that a new super account will no longer be created automatically every time you start a new job and you get to keep your current NESS Super account. Your employer will then pay your super directly into your NESS Super account.

2 Online 'YourSuper' comparison tool

This *proposed* new tool is aimed at helping Australian's rate and compare super funds so that they can decide on the super fund that best suit their needs.

By July 2021, the YourSuper tool will:

- Provide a table of simple super products (MySuper) ranked by fees and investment returns
- Link to super fund websites
- Display your current super accounts and prompt you to consider consolidating accounts if you have more than one super account

3 Holding funds to account for underperformance

The Australian Government proposes that by 1 July 2021, the MySuper product will be subject to an annual performance test.

Where a Super fund is deemed to be underperforming, they will need to inform members by 1 October 2021.

By 1 July 2022, the annual performance test will be extended to other superannuation products as well.

4 Increasing accountability and transparency

By 1 July 2021, trustees of super funds will be required to comply with a new duty to act in the '*best financial interest of members.*'

The proposal will include requirements for super funds to disclose more details about how members' money is being managed ahead of the fund's annual member meetings.

Other key notable announcements include:

- Lower taxes – bringing forward tax cuts in the Stage 2 of its tax plan
- Supporting housing construction – extension of the First Home Loan Deposit Scheme
- Infrastructure investment – the Government is committed to invest an additional \$14 billion in new infrastructure projects
- JobMaker hiring credit – providing businesses incentives to take on additional employees that are aged 16-35 years old
- Investing in education, skills and apprentices – part of the JobMaker plan, ensuring that Australians have the right skills for jobs in the future
- Economic security for women – introducing employment programs to support women's leadership and development in the workplace

At NESS Super, we are here to help.

If you have any questions about your super call our friendly team on **1800 022 067**, Monday to Friday, 8.30am – 6.00pm (Sydney time).

* Reference: The Australian Treasury, Budget 2020-21 Overview
Full details on the 2020–21 Federal Budget are available from budget.gov.au