

Whether you're on-track or a long way off your ideal super balance, this guide covers practical adjustments you can make to boost your super balance. Wherever you're at, these are some straightforward ways to help build wealth for future you.

Gather what's yours

The ATO reported that there was almost \$14 billion dollars of lost super in Australia, as of 30 June 2020. If you've ever switched jobs or changed your name or address during your working life, you may well have lost track of some of your superannuation along the way. Checking that you've been paid all the super you're entitled to (in current or previous jobs) is really important.

Search for lost super

Super is typically tracked using your Tax File Number (TFN) and so any super fund accounts should appear in your MyGov*.

1. Log into your MyGov account. If you haven't used it before, you may need to create an account.
2. Click on ATO service. If you haven't done this before, you may need to link the service (click "Services" at the top of the page and link Australian Tax Office.)
3. Click on "Super" and select "Fund details".

*If you think there's an account missing or you know a fund or employer has the wrong TFN, contact the fund directly and work with them to determine where your account is and how to amend the TFN. Remember, these are your \$\$\$ for retirement!

Check your previous employers have paid up!

Generally, if you're paid \$450 or more (before tax) in a calendar month as an employee, you should be paid super on top of your wages. Note: this \$450 cap will no longer be applicable after July 2022. If you're not sure if you're eligible, use the [ATO's handy tool](#) to help you.

- Check the minimum super guarantee rates on the ATO's website to see exactly what percentage of your wage your employers should have been paying into your super fund.
- Look at previous annual statements from your super funds or a history of transactions to see whether previous employers were paying you super.

If you notice payments are missing, get in touch with them, even if you don't work for them any longer. And if you're having trouble getting an employer to meet these payments, you can ask your super fund to remind them or even contact the ATO.

Check whether you can transfer your NZ KiwiSaver account.

If you've ever lived in New Zealand, or you're an NZ citizen who's moved permanently to Australia, you may be eligible to transfer your KiwiSaver to your Australian super fund under the Trans-Tasman Portability Scheme.

Only certain Australian super funds accept these transfers so it's best to check with your super fund whether they participate in this scheme.

If you're a Verve member and you'd like to transfer your KiwiSaver funds from NZ, you can know that we do accept KiwiSaver transfers so contact us at hello@vervesuper.com.au for details. You should also visit the ATO's website to see what rules may apply.

How can I boost my super

No matter what your financial situation looks like, there are practical strategies you can take to help supercharge your super balance.

First, let's look at the two main reasons why super can be so magical:

- Compound interest
- Tax



Oh hey, compound interest!

When you put your money with a financial institution, you will often receive some \$\$\$ back for leaving your money with them. This is called "simple interest". For example, you might have a savings account that has an interest rate of 2% per year. If you put \$100 into that account, at the end of the year (assuming there aren't any fees and you haven't added/withdrawn anything), you would have \$102, e.g. your original \$100 + \$2 in interest.

Compound interest is when your initial investment receives interest, which is then reinvested over time along with your original amount. So you're always getting "interest on your interest". To continue the previous example, if you kept that savings account for 10 years and continued to reinvest your interest (again, without paying fees or adding/withdrawing anything), you would not just receive \$2 a year, because you'd have more in the account every year as the interest is "compounded". After 10 years you would have \$121.90.

Check out this [compound interest calculator](#) to see the exponential magic!

The key message here is this: small amounts invested over a long period of time substantially add up! If you have 10, 20, 30, 40 or 50 years to save for your long-term future, you have time for compound interest to work its magic!

Tax, tax baby!

One of the other major benefits to contributing to super is that it can be a tax-effective way to save. If you tuned out to the words "tax-effective", stick with us!

Super contributions from your employer, salary sacrifice and self-employed contributions that have been claimed, are typically taxed by the government at 15%. This rate is often a lot less than your 'marginal tax rate' aka your 'individual income tax rate' which may be 19% or 32.5% or more. Find your individual tax rate here to see how saving in super could work for you.

Of course, you'll want to ensure that you're happy to part with any money you contribute to your super, because, in most circumstances, you won't be able to access it until retirement.

As always, it's a good idea to check with your financial adviser and/or accountant to see how this applies to your personal situation.

If you're employed or self-employed

Nominate your super fund

When you start a new role, you'll need to fill out a Superannuation Standard Choice form. This is given to you when you start a new job (and your employer is required by law to give you this form within 28 days of starting your new job).

If you've been in the job for a while and want to switch your super fund, you can download and fill out the ATO's Superannuation Standard Choice Form.

Check your employer is making contributions

Your employer needs to be paying contributions into your super fund at least every three months. If you can't see any contributions going in or you're not sure where to look, give your super fund a call to help you out.

What to do if you're self-employed

As your own boss, you can decide whether to pay yourself a salary including super, or pay yourself owner drawings and set up a regular transfer into your super from your pre-tax income or transfer a lump sum when you have enough cash flow in your business. Chat to your accountant or super fund to decide which is the best approach for you. The ATO website has more information.

If you've got income to spare

- Consider a salary sacrifice arrangement with your employer: this means you'd forego part of your wages in return for your employer paying some of your salary directly into your super fund instead. This can have tax benefits as this income won't be taxed at your personal tax rate (instead taxed at just 15% in your super fund).
- Make your own personal super contributions: by contributing a portion of your post-tax income into your super fund, you can help to boost your balance significantly over time.

If you're on low income

- Check if you're eligible for the Low Income Super Tax Offset (LISTO): if you're earning less than \$37,000 per year, you may be eligible to receive a refund into your super account of the tax paid on your eligible concessional contributions, up to a cap of \$500.
- Take advantage of the government's super co-contribution: if you earn below the set income threshold (for 2021/22 the threshold is \$56,112), and you make a personal contribution to your super, when you lodge your tax return you may be eligible to receive up to \$500 in a co-contribution from the government. Check your eligibility [here](#).
- Split super with your partner: if your partner earns a higher wage, you could consider splitting their super contributions into your fund, building your retirement savings while providing a tax offset to your partner.
- Every bit counts: even putting aside a small amount each year can help you boost your super balance by hundreds (or even thousands of dollars) by the time you reach retirement.
- Chat to your super fund: your fund is required to cap and refund certain fees and charges if your balance is below \$6,000.

If you're on parental leave

- Talk about splitting super contributions with your partner:** if you're taking extended time away from work, splitting super contributions with your partner can keep your balance growing, provide tax advantages and ensure a more equal distribution of wealth later in life.
- Chat to your super fund about fees:** here at Verve, we offer our members a 'Baby Bump Program', that lets you apply for a rebate of the annual fixed administration fee for up to 12 months when you become a new parent (by birth or adoption). Speak to your super fund to see if they can offer a similar program too.

If you're self-employed

- Pay yourself super:** Make sure you're contributing to your super balance on a regular basis and consider meeting the required super guarantee rate of your annual wages. Check with your business accountant or adviser for your personal situation.
- Leverage super tax benefits:** if you make contributions from your pre-tax income, you can claim it as a tax deduction (but make sure not to exceed the concessional contributions cap per year).
- Automate your contributions:** by setting up small, regular payments into your super fund you'll easily keep on top of your cash flow and boost your retirement savings at the same time.

If you're nearing retirement

See all the information above as it may also apply to you.

- Consider whether you're able to take advantage of the 'bring-forward' rules:** If you're in the position to make additional contributions to your super, you may be able to contribute more than the regular contribution cap allows. Look at the ATO website or speak to a financial adviser to see if this is a valid option for you
- Speak with a financial adviser:** they'll help you understand the best options available for your personal circumstances and can help point you in the right direction for this next chapter.
- Chat to your loved ones about life after work:** where do you want to live? Do you have an up-to-date will? Start having these conversations now to make sure you and your loved ones are on the same page.

My #1 super-boosting strategy is to...

The first action I'm going to take to put this into motion is...