

Lost and unclaimed super



Nearly \$17 billion lie in lost superannuation accounts, but finding missing super monies is now more straightforward. By Liz Westover FCA

As at 30 June 2012, the value of lost super held by superannuation funds in Australia was approximately \$16.8 billion. These monies were held in 3.4 million separate accounts. In recent years, the government has implemented a number of successful initiatives to repatriate lost super with its rightful owners. However, with 32 million superannuation accounts in Australia (almost three per worker), there is a real risk that people will lose track of their super and it may ultimately become lost.

The good news is that while amounts can become lost, once found it is able to be returned to the owner of the monies.

Who is a lost member?

Superannuation Industry (Supervision) Regulation (SISR) 1.03A outlines the conditions that must be met for a person to be considered to be a lost member of a super fund. Generally, this occurs when a member becomes uncontactable. Certain conditions must be met, as follows:

The fund has never held an address for a member or correspondence sent to a last known address has been returned unclaimed and no contribution or rollover has been received by the fund for the member in the last 12 months; or

The member is inactive. That is, the person has been a member of the fund for longer than two years and at the time of joining, contributions were made under arrangements with a standard employer-sponsor; and no contributions or rollovers have been received in the past five years.

Even if the above conditions occur, a person may be deemed to not be a lost member if, within the last two years of membership, the super fund has verified that the member's address is correct or the member is permanently excluded from being a lost member. Generally, a member is permanently excluded by notifying their fund that LIZ WESTOVER FCA Superannuation they wish to continue to be a member of the fund.

What is unclaimed super?

Unclaimed super monies are amounts held by a super fund where:

- The member has reached eligibility age (generally age 65), no amounts have been received by the fund for that member in the past two years and after no contact with a member for five years, the super fund is unable to contact the member again after making reasonable efforts; or
- If a member has died and the super fund determines a benefit is immediately payable; and no amounts have been received for the member for two years; and the super fund, after making

reasonable efforts is unable to ensure that the benefit is received by the person who is entitled to receive the benefit.

Reporting and payments of lost and unclaimed super

Super funds are required to report to the ATO amounts of lost and unclaimed super held by them. Lost members and unclaimed super will be reported to the ATO twice a year. The ATO is then required to keep a register of those members and accounts reported to them.

Although super funds will generally retain amounts deemed to belong to lost members, small accounts as well as inactive accounts of unidentifiable lost members are required to be transferred to the ATO. A small account is currently considered to be amounts less than \$2000.

Reclaiming lost super

The ATO uses the lost and unclaimed super registers as the basis for SuperSeeker, available on their website. The increased functionality of SuperSeeker now means Australians can use this online tool to keep track of existing superannuation accounts, identify their lost super and take steps to consolidate their superannuation, as needed or required. Accounts identified as lost are able to be reclaimed regardless of whether they are held by a super fund or by the ATO.

A quick search of lost super can be undertaken by providing limited personal details. The full functionality of SuperSeeker is available by registering using two pieces of information held by the ATO. This may include details from a previous Notice of Assessment, payment summary, Centrelink statement or your superannuation contribution statement.

Avoiding losing your super

To avoid losing track of superannuation or becoming a lost member, ensure that you do the following:

- Keep your address details up to date with your super fund/s
- Consolidate multiple super accounts into one account (this also avoids multiple fees paid on each account)
- When changing jobs, give your new employer details of your current super fund, rather than setting up a new account in a new fund
- If you or anyone else (eg an employer) are not contributing to your fund, notify your fund that you wish to be excluded from being a lost member, that is you wish to continue to be a member of the fund.

Staying in control of super accounts and ensuring super does not become lost is an important step in ensuring maximum retirement savings are achieved.

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