4 TIPS FOR WOMEN TO TAKE CONTROL OF THEIR SUPER

Faced with average lower earnings, possible time out from the workforce to raise children, and longer life expectancy, it can be a struggle for women to save enough money in their super. According to the 2017 HILDA survey, Australian women are retiring with an average superannuation balance of $230,907 while men are retiring with about twice this amount.

But if you're a woman earning an income, it's never too late to play catch up. Looking at your super and taking action now could make a difference over time to how much savings you have in super for retirement.

1. Get to know your super better – it's your money

Superannuation, or 'super', is money set aside while you are working so that when you stop working it will provide you with an income in retirement. If you are an employee, your employer should be making super contributions to a superannuation fund on your behalf. These payments, known as super guarantee contributions or concessional (before-tax) contributions, will be equivalent to 9.5 per cent of your salary or wages.

If you are self-employed, you will need to pay yourself super to provide for your retirement. You can make regular contributions or make lump sums less frequently, to suit your cash flow. To get to know your super better, start by checking your balance regularly, along with the insurance and investment options you have to make sure they are the best fit for your circumstances.

The Australian Taxation Office (ATO) recommends that you check your employer is paying the correct amount of super on your behalf. If you are unsure how much your employer should be paying you can use the ATO's Estimate my super tool. If your employer is not paying the correct amount you can report this to the ATO online.

Many super funds arrange life and disability cover for their members, for a fee. Having insurance can provide a good sense of security for you and your family. It's important that you know what cover you have as you might have similar cover under another type of policy. This might mean you are paying for the same cover twice, however you will not be able to claim twice.

2. Consolidate your super and save on fees

It's a good idea to make sure all your super is in the same place. If you've changed jobs, different employers might have made your super guarantee payments to different funds over the years. This means you could have 'lost super' in accounts you've forgotten about. If your super is in multiple funds, you also have to pay separate administration fees to each fund, which eats into your retirement savings.

3. Contribute more and watch your super savings grow

Want to see your super grow faster? You can make payments into your super fund account in addition to the Super Guarantee 9.5 per cent that your employer pays on your behalf. This could really boost your super over time, and can help you make up for periods when you are not working. Even small amounts could make a difference.

The different types of additional contributions that can be made to your super fund are:

- Concessional (before-tax) super contributions – these are super contributions you make before you pay tax on them.
- Non-concessional (after-tax) super contributions – these are super contributions you make from sources that have already been taxed.

Be aware that the Federal Government applies monetary caps to these contributions to limit the tax concessions associated with making super contributions. Some types of contributions if made in excess of these caps are subject to tax rates of up to 49 per cent.

4. Don't forget your TFN, otherwise you may pay more tax

To confirm if your super fund has your tax file number (TFN), take a look at your super statement. If your TFN is not listed, contact your fund and give it to them.

The benefits of providing your fund with your TFN are:

- Your fund will pay less tax on employer contributions (and pass the savings on to you)
- Concessional contributions are generally only taxed at 15 per cent, which means you could lower your taxable income
- You are less likely to lose track of a super account
- You will not miss out on government super payments – for example, the government co-contribution if applicable
- You will be able to make personal (after-tax) contributions to the fund.

Source: Colonial First State, 20 December 2018