



**Tasplan
super**

ABN 14 602 032 302
AFSL 235391

Media Release

Tasplan is Tasmania's largest multi-industry super fund with over 90,000 members, 8000 participating employers and \$600,000,000 of funds under management

Employers Unprepared for Choice - Survey Findings (01/12/04)

Businesses are likely to face an administrative nightmare next year unless they move quickly to address requirements arising out of the Federal Government's new Choice of Super fund legislation.

The most difficult situation will arise for employers who have employees engaged under Federal Awards ; employers with State Awards, Certified Agreements and Australian Workplace Agreements are exempt.

Federal Award employees will be able to opt for the fund of their choice, which could result in the employer being required to manage an unlimited number of individual super fund transactions. These employers may find they may need to sign a myriad of trust deeds, observe different fund rules and even change business systems to meet the requirements demanded by the various funds chosen by individual employees.

According to an extensive telephone survey undertaken by Tasplan Super to determine the preparedness of participating businesses for Choice (to commence 1 July 2005) , some businesses are finding the Industrial Relations aspects of Choice too confusing.

The Tasplan survey has identified businesses with workplace agreements which do not include superannuation provisions. The survey also identified businesses in which State Awards still featured the original 3% superannuation clause, even though the compulsory Superannuation Guarantee Charge – now at 9% - has been in place since 1992.

Tasplan's General Manager Neil Cassidy said the Fund's survey found a real need for the Commonwealth Government to bring forward its proposed \$14 Million educational program and help employers come to terms with the new laws NOW – not when it's too late.

Mr Cassidy said businesses need to talk with union officials now to properly determine ways to limit the administrative burden associated with Choice and take steps to limit any increased cost. Some businesses have introduced Enterprise Agreements dealing specifically with superannuation – this is one way to 'limit' any administrative burden imposed by Choice, " Cassidy said.

"Solutions to these problems can sometimes take many weeks – even months,"

Mr Cassidy said the Tasplan survey also highlighted a major issue for employers in Tasmania that may impact on the mainland.

"In Tasmania some financial planners have commissioned industrial relations practitioners to run individual workplace agreements through the Office of the Employment Advocate (OEA)". Mr Cassidy said.

"We believe that these agreements will ultimately be proven to be invalid because the OEA does not appear to have factored in the adverse effects of trailing commissions and higher fees when it applies its 'no disadvantage test'."