Make sure you have a super start to the year

ANTHONY KEANE

LAST year's stellar super fund returns near 15 per cent look unlikely to be repeated in 2020, but there's plenty that savers can do to polish their nest eggs.

As always, there are superannuation rule changes this year, and it pays to give yourself a few simple checks.

Australians hold about $2 trillion in industry, retail and public sector super funds, plus $750 billion in self-managed super funds (SMSFs), and our total super assets are up almost $200 billion in a year.

SMSF Association CEO John Maroney said many super fund members had insurance cancelled in 2019 amid new laws for inactive accounts, so checking your insurance was a good idea.

"One important change in 2019 was that exit fees have been banned, so you can now switch your super fund without having to pay any exit fee," Mr Maroney said.

He said people should also check if the Australian Taxation Office was holding any of their super. This can be done by phone or online using myGov.

"And check if you are on track to have enough super when you retire," Mr Maroney said. The **moneysmart.gov.au** website has great calculators to help with this, and you may be able to make extra contributions.

"The maximum concessional contribution is now $25,000 each year but some employees can contribute more and still obtain a full tax deduction," Mr Maroney said. "You are able to carry-forward your unused concessional contributions allowance from 1 July, 2018."

Financial strategist Theo Marinis suggested checking that the asset mix in your super matched your tolerance to risk.

He said super fund members should also check their fees.

"You can pay between 0.5 per cent and 3 per cent in fees and you don't want to pay 3 per cent if you can avoid it," Mr Marinis said.

If super returns fall this year, it could be a good time to invest more at discount prices, he said.

"If you are a retiree, don't panic," Mr Marinis said.

"Review your portfolio and make sure you have a buffer to ride out the volatility."

People who switched their super assets to cash at the bottom of the GFC in 2009 missed the strong annual returns over the past decade, while cash returns slumped below 1 per cent.

"The trick is to stay invested," Mr Marinis said.

Financial Strategies (SA) Pty Ltd trading as Marinis Financial Group
T 08 8130 5130 | F 08 8331 9161 | A 49 Beulah Road, NORWOOD SA 5067
E admin@marinisgroup.com.au | W marinisgroup.com.au
ABN 54 083 005 930 5067 | AFSL No: 326403