

COMPARABLE SUPER FUNDS

Industry funds have always been known as the lowest cost option for super funds. We also strongly recommend industry super funds, particularly if your account balance is less than \$100,000 as management fees can be very similar to running your own SMSF once the balance starts exceeding \$100,000.

There is always an assumption made that all industry super funds are the same and only once you start comparing each component of the funds do you realise that some are actually better than others.

The attachment shows a detailed analysis comparing 4 super funds being; Hesta, Health, First State and Australian Super. In summary, First State Super charges the lowest management fees overall which are less than half the cost of the other funds. It also allows for spousal superannuation splitting which is particularly useful if there is a gap in ages between spouses. Another advantage is that it provided the option of investing in 100% Australian shares which overtime has proven higher return particularly if you are younger as this is a long term investment option. The only downfall is that income continuance insurance is optional and only pays benefits for a 2 year period. However, you can obtain income continuance insurance outside of super to get the overall benefits from it.

Most health professionals are normally automatically signed up for either Hesta or Health Super once employment commences. Comparing the two funds showed that fees are nearly the same with Hesta only slightly being higher, but all other options including spousal superannuation splitting, and choosing 100% Australian shares as your investments is only available in Hesta. Hesta also provides income continuance insurance to age 60 compared to Health Super who pay benefits for a 2 year period only.

It just shows that choosing the right superfund is important not only save fees, but to enable flexibility within the fund up until such time you are ready to set up a Self Managed Super Fund.