

Corporate super and leaving your job

Being a member of your employer's corporate super fund could highlight some unexpected issues if you 'leave' the employer.

Will you pay higher fees?

If you are a member of a corporate super fund and you leave the employer – either voluntarily, being made redundant or sacked – your super balance will generally be rolled over into a personal account in the super fund.

The personal account will usually charge higher fees, have less benefits and your insurance cover may cease or change. This could present a serious risk to your financial security, now and in the future.

Corporate super explained

Corporate super funds can be run in-house, such as Telstra Super, or 'outsourced' to a master trust, such as the News Ltd fund managed by Russell Investments.

A few large employers have the resources necessary to run a super fund for their employees. Many other large employers engage a retail master trust or industry super fund to run a corporate super fund to be the default fund for employees. Outsourcing corporate super funds can allow management to focus on core business and management can often negotiate for certain products to be included in the fund.

Will it affect you?

When changing employers, it's important to consider all of your financial matters, including super. If you're in a corporate super fund you may benefit from looking into what will happen to your super when you leave your employer.

Job security is a concern for many employees. Redundancy is a confusing and complex situation that many employees face in their careers. You may need to make many difficult financial decisions that could affect your future. If you don't act on your super, you could end up paying higher fees and may risk losing your insurance cover. Differences in fees can result in thousands of dollars of difference at retirement.

If you're in a corporate super fund and you're leaving your employer, consider your options. Media Super is an industry super fund with a strong history of low fees and above-average investment performance. Visit www.mediasuper.com.au or contact us to find out how we can help you avoid paying higher fees.

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