

reviewing your default super fund

Choosing a default fund for your employees is an important decision. The super fund you choose plays a key role in the quality of their retirement. It's also an important aspect of your employee benefits offering.

Employers should review their default super fund every few years to ensure it still meets the needs of employees.

This guide provides information to help you review your current default super arrangements. It includes:

- how to review your default super fund
- how to do it yourself or use a tender manager
- a summary of what should be considered.

Reviewing your default super fund

It's important to understand the benefits you want your default super fund to offer your employees. Here are some questions to consider when reviewing or choosing a default super fund.

- Is it an industry – profit to member super fund?
- Does it make super administration easy?
- Does it provide employee education?
- Does it have a history of strong, long-term performance?
- How does it provide a great member experience?
- Are the fees competitive?
- What default insurance cover does it provide for members?

How to review your default super fund

Do it yourself

Reviewing your default super fund is a difficult task.

A request for proposal (RFP) is a document that outlines your details and the benefits you want to get from your default super fund, and invites super funds to put forward an offer to you. Once you have your RFP, you can send it to your chosen funds.

Putting together an offer can take some time, so please allow around eight weeks for the super funds to provide their proposal.

Once you've received their responses, invite your preferred funds to present their offer to you.

Outsource the process

A great source of assistance can be found from Tender Consultants and Financial Advisers. They specialise in finding the best offer for you. Be careful to ensure you confirm how they are remunerated for their services and if they are aligned to any specific superannuation funds.

We can introduce you to suitable firms based on your needs.

What to include in your RFP

The following is an outline of what you should include in your RFP. The information you include should be based on your business needs.

Introduction

Provide an overview of your business and your employee information. This will help the funds tailor their response to your business. This should include:

- company profile including number of employees
- why the review is being undertaken
- existing fund details including:
 - current number of default super fund members
 - funds under management
 - de-identified member data
 - insurance design including terms and conditions
 - claims data and premium history
 - awards or agreements you may operate under.

Confirm your process

In this section outline the process and timeframes you'd like the super fund to follow for submitting their tender. Also, include details of your key contacts, their roles and how they should contact you should they have any questions.

What should be considered

In this section, you should outline specific information you'd like the super fund to provide. This will form part of your evaluation criteria. The super fund should provide details about their operations and offering, including:

- information on the super fund's values, governance arrangements and their third party providers
- all fees and charges
- employer and member services provision including account management, education and advice assistance
- investments including options, performance, beliefs and comparative benchmarking
- insurance arrangements including premiums and the claims and underwriting process.



Let's keep talking



Vanessa Frlan

General Manager Business Development
p. 03 8665 9293 m. 0407 660 910
e. vfrlan@hesta.com.au



Elizabeth Hunt

Business Development Manager VIC
p. 03 8662 2550 m. 0499 700 592
e. ehunt@hesta.com.au



Robert Lazic

Business Development Manager VIC
p. 03 8662 2571 m. 0499 501 172
e. rlazic@hesta.com.au



Sue Keomoungkhoun

Business Development Manager NSW
p. 02 9249 5624 m. 0475 260 221
e. skeomoungkhoun@hesta.com.au



Jason Waterford

Business Development Manager QLD
p. 07 3223 4908 m. 0419 131 142
e. jwaterford@hesta.com.au

contact us

hesta@hesta.com.au | 1800 813 327 | Locked Bag 5136, Parramatta NSW 2124 | hesta.com.au

Issued by H.E.S.T. Australia Limited ABN 66 006 818 695 AFSL No. 235249, Trustee of Health Employees Superannuation Trust Australia ABN 64 971 749 321 (HESTA). It is of a general nature and does not take into account your objectives, financial situation or specific needs so you should look at your own financial position and requirements before making a decision. You may wish to consult an adviser when doing this. You should exercise your own judgment about the products and services being offered. Before making a decision about HESTA products you should read the relevant Product Disclosure Statement (call 1800 813 327 or visit hesta.com.au for a copy), and consider any relevant risks (hesta.com.au/understandingrisk).