Senate Select Committee on Superannuation and Financial Services

Main Inquiry Reference (a)

Submission No. 39 (Supplementary to Submission No. 22)

Submittor:

Mr Barry Terzic

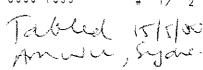
National Secretary

AMWU

4th Floor, 133 Parramatta Road

GRANVILLE NSW 2142

2 - (02) 9897 9133





HESTA SUPER FUND

FACSIMILE COVER SHEET

To:

Barry Teril, AMWU

02 9897 9275

FROM:

Stephen Burke, Operations Manager

Phone: 03 8660 1698 Fax: 03 8660 1655

Email: sburke@hesta.com.au

DATE:

12 May, 2000

SUBJECT:

Superannuation - Process Pack Pty Ltd

No. of Pages:

2 (including header)

I refer to your faxed letter.

I confirm that Process Pack Pty Ltd is a participating employer in HESTA and that we have an agreement to accept contributions annually.

HESTA strives to have employers contribute monthly, but acknowledges that employers not bound by an Award to contribute regularly may instead choose to follow the SG schedule of payment by 28th July. Contributions deducted from member after-tax incomes are to be remitted the following month. We alert employers that annual payment may jeopardise insurance cover for members with low account balances.

HESTA's insurance arrangements altered on 1 April 1999. Prior to that date we had Contribution Based insurance, meaning that premiums were deducted as contributions were received. This often led to disputes regarding whether or not a member was eligible for cover.

HESTA now provides Account Based insurance, with premiums deducted from member account balances (provided sufficient funds are available). Employers are alerted that insurance cover will be jeopardised for new members or others with account balances insufficient to cover our standard \$93.60 per annum insurance premium.

HESTA provides insured benefits to all members, although members have the right to opt-out.

You may be able to make use of the following phrasing I submitted for ASFA's pre-Federal Budget paper:

"A natural extension of Choice is to ensure that contributions are credited to employees' accounts on a regular basis. This enhances the employee's sense of ownership and interest in their savings. The Superannuation Guarantee legislation should be amended to require at least quarterly remittance of contributions.

These compliance initiatives would also alleviate pressure on the Government for rescue packages following employer insolvency."

Regards,