


# **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  
4<sup>th</sup> Floor, 133 Parramatta Road  
GRANVILLE NSW 2142  
 - (02) 9897 9133

Tabled 15/5/00  
AMWU, Syden.

# 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 28<sup>th</sup> 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,

