



I'M GOING TO ROLLOVER ALL MY SUPERANNUATION FUNDS INTO THE ONE WITH THE BIGGEST BALANCE.

I HEAR
A LOT THAT
CONSOLIDATING
MULTIPLE
SUPER ACCOUNTS
INTO ONE
IS A GOOD IDEA,
BUT IS IT?

Ultimately it will depend on your individual circumstances, but there are some serious considerations you should take into account before you jump on MyGov and smash them all together. The big issue that is rarely considered is the insurance policies that are likely sitting within Superannuation that can be very helpful if you know how they work. A recent case I was working on had this very issue - an industry fund with a small amount of income protection insurance, and an employer fund with a higher level of income protection insurance. Neither had been reviewed, so the benefit of each individual policy would not have covered the lost income of the client in the event of a health issue. With advice, we kept both and now a claim has been made. Both policies will pay concurrently, which means although each individual policy wouldn't pay enough, combined they provide the maximum available benefit, which is invaluable to the client. Another big problem is the thought of consolidating all the funds into the one with the highest balance. It's likely that fund is the largest because you've spent more time working to put contributions into it, not necessarily because it's the best performer, nor the most suitable to your situation. Here's where the financial planner proves highly valuable by assessing each fund on its merits, investment options and management activity, fees, insurances and other operational features, and then doing the work for you to combine all those balances in the most appropriate way. I'd call that winning! And another financial myth busted. Much better to get the advice and guidance to be in that winning position rather than take the easy option, which could take away a whole lot of benefits you're not even aware of.

