

SUBMISSION ON POLICY ISSUES RAISED IN ROUND 5

Submitted By: [REDACTED]

Email: [REDACTED]

Phone Number: [REDACTED]

Submission for: Another Person

Name of other person, business or organisation: [REDACTED]

Do you agree to your submission being published: Yes

Do you agree to your full name being published: No

Your submission:

My son is 18 and a fulltime student. He has had only one temporary job - working for [REDACTED] as a contractor at the [REDACTED] advised that Compulsory Super would be paid for him and so on my advice he opened an account with [REDACTED] on 31 March 2018. He has no other super account or sources of income. He was subsequently paid about \$130 into this account by [REDACTED]. He will never see any of the money as it has all gone in fees. Around 9 August 2018 as my son [REDACTED] was completing his tax return (this 2 week job is the only income he had) he had cause to access he [REDACTED] account and realised that the majority of his \$130 had been eaten by admin fees and insurance premiums. He was not aware that he was paying insurance premiums. We advised him to immediately cancel the income insurance which he did the same day. He requested relief for these premiums as he had no income to be insured against. Also as the monthly admin fees were out of proportion with his now less than \$50 balance he asked that these be refunded or amended to some suitable proportion of his balance. These requests were denied in writing. He requested to withdraw his funds under the rule that his balance was less than \$200. He was advised that this would incur a \$50 fee and as his balance was already less than \$50 no funds would be transferred to him. Within 5 months of opening his super account [REDACTED] has lost all of the Super paid to him by [REDACTED]. Government stated policy would have us believe that they are encouraging youth to invest in super, This experience obviously has not encouraged my son nor my daughter. I recommend 1. All insurance products should be opt in. For the young in particular that it be necessary to obtain signed confirmation that they are opting for this insurance product 2. Admin fees should be subject to a maximum % of account balances to ensure those with low balances do not have their savings consumed. Automated fees should never be allowed to consume such a large percentage of an account balance 3. Prohibit fees on withdrawal of low balances. [REDACTED] fee of \$50 constitutes a minimum possible fee of 25% of the entire account balance (\$200/\$25). In my son's case it is \$100. Faithfully [REDACTED]