

When evaluating superannuation funds to recommend to an employer for their employees, the aim of the selection process is to try to ensure that employees are invested in a quality fund that is equitable for all members. A CSSA member would consider the rating of the funds from specialist research houses, and would also look at the following criteria as guidance in our selection process:

Investments:

Investment process and fund manager selection
Range of investment choice
Transparency of investment process and pricing (for example daily unit pricing as opposed to declared rates of return)
Appropriateness of the investments offered, matching the company's employee demographics

Fees:

Reasonableness of overall fee structure, representing value for money
Transparency of investment management fees, buy/sell fees
Ability to negotiate fee discounts

Insurance:

Appropriateness of insurance provided for the employee demographic. Ability to establish categories of insurance to suit differing employee needs.
Insurance cost/premiums offered or negotiated
Automatic Acceptance Levels offered or negotiated
Terms and conditions of underlying insurance policies
Claim paying record and ability to meet potential claims
Ability to provide features such as non-lapsing binding death benefit nominations

Administration

Reputation of the fund's administration team
Ease of employer interaction – such as online contribution processing and clearing house facility
Member reporting – such as frequency, clarity, online access to reports and other information
Online Transactions – such as investment switching, change of address, change of beneficiaries
Policy Committee support

Ancillary Benefits

Some funds offer benefits such as discounted financial and lifestyle products, discounted health insurance, etc. While this is a secondary consideration many members do appreciate these benefits

CSSA members are ideally positioned to assist employers with fund selection as they generally work with a large cross section of providers and understand the strengths and weaknesses of various providers' offerings. It may be difficult for an expert panel to have such an industry insight.