

Money

MY MONEY

on the money

Edited by Rochelle Taylor

The Buzz

Claw back those commissions

You can have part of the commissions paid to you rather than the financial planner you never see anymore.

Here's a clever way to get back some money you didn't expect. "It's basically money for jam," explains Paul Brady, an accountant who stumbled upon the idea of reclaiming hidden commissions paid from his investments, superannuation and insurance, when his wife discovered she was paying a high sales commission on her super contributions to someone she had never met.

"It's outrageous that for the life of an investment, some anonymous agent can receive continuous commissions from your funds and in most cases do nothing for you," says Brady.

It's common practice. The financial services industry distributes its products by paying people ongoing commissions for selling their products. Many Australians pay sales commissions for years after they buy the product and are often unaware it's happening.

Paul and Juliet Brady, both accountants, launched YourShare in May to help get back your commissions. To qualify, you need to own a managed fund, retail super fund, master trust, pension, wrap or insurance policy bought from a planner or an online broker, or directly from a fund manager or discount

fund supermarket. You may be paying a hefty upfront commission of 4% or a trail commission of 0.5% yearly (the range is 0.25% to 1.1%). Some insurance policies pay ongoing commissions of 5% to 30%, says Brady.

One example: Janice, has \$80,000 in the BT super fund. She was adding \$791 a month to her super. When she joined YourShare, the 4% upfront commissions went to nil and Janice saved \$31.65 each month that she also put to her super. Over 25 years, counting investment returns, this will add up to \$27,765. The trail commission rebate received by Janice will be \$34,061. She will save a total of \$61,826.

Brady says the service is simple – you fill in a one-page form found on www.yourshare.com. "You don't have to change your investments, or even touch them," he says. "All you do is nominate YourShare as your broker and we arrange to receive your hidden commissions on your behalf. Then every year you receive a cheque for your share of the commissions we collect." The upfront commission is all yours and YourShare's fee is 50% of the trail commission if the total is under \$4000, or 30% if it is over \$4000. SUSAN HELY

