

Boost your super savings

Why you should add to your super





Contributing extra makes sense

Everyone has an image of retirement and how financially comfortable it will be. But for most people, the 9% Superannuation Guarantee (SG) employer contributions built up over their working life may not meet their living costs in retirement.

But contribute extra to your super on a regular basis, and you could have much more in retirement than if you just rely on the contributions made by your employer.

Don't just take our word for it – let's compare how much of a difference extra contributions could make to your retirement lifestyle.

Example

Alison is 31 and her annual salary is \$40,000. She already has \$15,000 in super, but is considering making extra after-tax contributions. The following graph shows that by contributing \$50 extra each fortnight, she'll have \$65,000 more when she retires at 60.



For full assumptions see back cover.

It's not just how much that counts

One of the most important factors to building savings is time. If you start adding to your super at an early age, the power of compound interest over time will do more for your savings than trying to catch up with larger contributions later in life. Take the example below:

Example

Michael contributes a total of \$15,250 over 10 years and Nicola contributes \$30,500 over 10 years. But because Michael starts contributing at a much earlier age, by the time he reaches age 65, he has saved more than Nicola by age 65.

more than thousand by ago co.		
	Michael	Nicola
Age voluntary contributions commenced	25	45
Voluntary contributions over 10 years	\$50 per fortnight	\$100 per fortnight
Total contributions	\$15,250	\$30,500
Total voluntary contributions		
PLUS compound interest to 65	\$46,750	\$43,800
For full assumptions see back cover.	Michael co half the m ends up w	oney, but

The best way to contribute

So making extra contributions to your super makes sense. But to make the most of your contributions you need to consider how you contribute.

There are two types of contributions:



Before-tax

This includes the 9% SG contributions made to your super by your employer and salary sacrifice contributions.



After-tax

All contributions you make to your super from your after-tax income.

Depending on your income and personal circumstances, you may be better off contributing before or after-tax, or using a combination of both.



Read on to find out more about the types of contributions available to you.

Save tax with before-tax contributions

The contributions your employer makes to your super and any 'salary sacrifice' contributions you make from your before-tax salary are considered before-tax contributions – this means they are deducted from your salary before income tax is calculated.

Depending on your income and how much you contribute, making before-tax contributions can result in substantial tax savings:

If you contribute to super from your before-tax salary, you will reduce your taxable income and potentially pay less income tax.

Before-tax contributions are taxed at 15%, which is lower than most people's marginal tax rate.

The result could be that compared to contributing from your after-tax salary, you can contribute extra to super, without reducing your take-home pay.

Before-tax contribution limits and tax

The Government places limits on the amount of money that can be contributed to super before-tax at the low tax rate of 15%.

The limit includes all before-tax contributions including all employer contributions, SG contributions and salary sacrifice contributions.

Tax on before-tax contributions

Age	I FNI provided	TFN not provided
Up to age 5		Taxed at 46.5%
Over age 5		Taxed at 46.5%

[†] See page 8 for after-tax limits.

Please note: From 1 July 2009 any amounts you salary sacrifice are included in calculating your eligibility for a range of Government benefits. See www.ato.gov.au

What is right for you... before or after-tax contributions

Example

Jesse earns \$70,000 a year. By making before-tax contributions instead of after-tax contributions, she will contribute an extra \$2,600 each year to her super, without impacting her take-home pay.

Jesse is 45

Earns: \$70,000

Super balance: \$80,000

Will contribute: \$50 per week (\$2,600 a year)

	Before-tax contribution	After-tax contribution
Salary package	\$76,300	\$76,300
Salary	\$70,000	\$70,000
SG contributions	\$6,300	\$6,300
Jesse's contributions	\$2,600	\$2,600
Less income tax	\$14,777	\$15,600
Take-home pay after super contribution	\$52,623	\$51,800
Net contribution to super	\$7,565	\$7,955

Jesse will save income tax by contributing from her before-tax salary because she keeps more of her take-home pay. Find out more about salary sacrificing at www.australiansuper.com/cocontribution



Use our contributions calculator at www.australiansuper.com/corporate to calculate the benefits of extra contributions

Use this form to set up a salary sacrifice arrangement

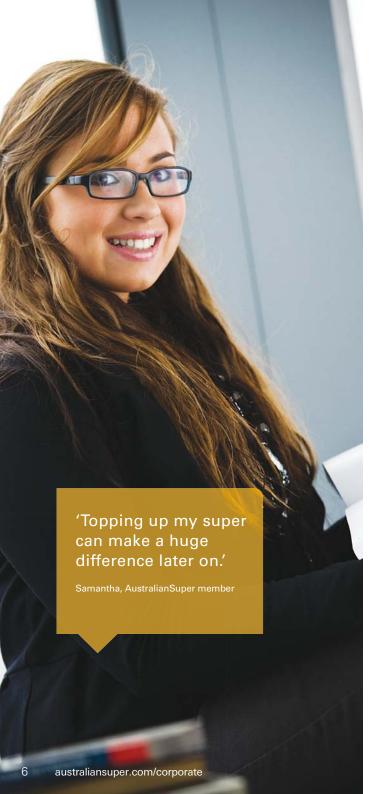
Firstly check with your employer that they are willing to make before-tax contributions on your behalf. It is a good idea to make your agreement with your employer in writing. To help we have prepared this template for you.

Salary sacrifice (before-tax) arrangement

If you are eligible for salary sacrifice, just complete this request and provide it to your employer or payroll manager to authorise your request.

1. TO PAYROLL	
I wish to begin making salary sacrifice contributions	to my AustralianSuper account
Contribution amount	,
\$.00 OR	Percentage of before-tax salary %
Frequency	
X Weekly X Fortnightly X Monthly	X Once-off contribution
Contributions to commence: first pay period after	D D M M Y Y Y
2. EMPLOYEE PERSONAL DETAILS	
Surname	Mr Ms Mrs Miss Dr Other
Given names	Date of birth
	D D M M Y Y Y Y
Employee payroll number	Existing member number (if applicable)
3. AGREEMENT WITH EMPLOYER	
Employer to complete.	
I confirm that the amount of SG contributions that because of their additional salary sacrifice contribut	I am required to pay on behalf of my employee named above will not be reduced tion.
I confirm that there will be no impact on how their	other benefits are calculated (for example, leave entitlements) OR
I confirm that there will be an impact on how their	other benefits are calculated as detailed below:
Your signature is required here	Employer to sign here
Signature	Signature
Full name	Full name
Date D D M M Y Y Y	Date D D M M Y Y Y

Please note: Both the employer and the employee should retain a copy of this agreement for their records. For more information visit the ATO website www.ato.gov.au



Get rewards with after-tax contributions

After-tax contributions include any contributions made from your after-tax salary. After-tax contributions can benefit those on low to middle incomes and those who are not working. If you make an after-tax contribution, you may be eligible to take advantage of the Government co-contribution scheme or receive a spouse tax offset.

After-tax contributions can be the right strategy

Example

Roula earns \$25,000 a year. With after-tax contributions, she can boost her contribution to super compared to before-tax contributions, because she gets a Government co-contribution.

Roula is 45 and works part-time

Earns: \$25,000

Super balance: \$50,000

Will contribute: \$20 per week (\$1,040 a year)

	Before-tax contribution	After-tax contribution
Salary package	\$27,250	\$27,250
Salary	\$25,000	\$25,000
SG contributions	\$2,250	\$2,250
Roula's contributions	\$1,040	\$1,040
Government co-contribution	nil	\$1,000
Less contribution tax	\$493.50	\$337.50
Less income tax	\$1,553.00	\$1,725.00
Take-home pay after super contribution	\$22,407	\$22,235
Net contribution to super	\$2,796.50	\$3,952.50

Includes low-income tax offset. Based on 2010/11 tax rates.

Roula gets \$1,000 from the Government

Like Roula, if you add to your super from your after-tax pay you could get a Government co-contribution bonus. Depending on what you earn, you could receive a co-contribution of up to \$1,000. Find out more at www.australiansuper.com/cocontribution

Get a Government co-contribution bonus

The Government co-contribution scheme aims to help average Australians save for their retirement, and is a fantastic way to accelerate your super savings.

If you earn less than \$61,920 pa and make an after-tax contribution to your super, then you may be eligible for extra super from the Government.

How much can I receive?

If you earn under \$31,920 pa, you will be eligible to receive the full co-contribution – so for every \$1 you contribute, the Government will also contribute \$1, up to a maximum of \$1,000.

If you earn more than \$31,920 pa, the Government co-contribution amount reduces for every \$1 you earn over \$31,920 and stops once your income reaches \$61,920.

Are you eligible?

To qualify you must:

- have made an after-tax contribution to your super
- earn less than \$61,920* in a tax year (before-tax) and earn a minimum 10% of your income from an employer and/or running a business (if self-employed)
- be employed full-time, part-time or casually
- be aged under 71
- be a permanent resident in the year the contribution is made and lodge a tax return for the year in which you made the contribution

Do I need to apply for the co-contribution?

No. After you lodge your tax return, the Australian Tax Office (ATO) will calculate your co-contribution, pay it into your super account and then will notify you once the payment has been made.

How the Government co-contribution works

	You contribute	
	\$1,000	\$500
If you earn:	Your co-contri	bution reward
\$31,920 or less	\$1,000	\$500
\$33,920	\$933	\$500
\$35,920	\$867	\$500
\$37,920	\$800	\$500
\$39,920	\$733	\$500
\$41,920	\$667	\$500
\$43,920	\$600	\$500
\$45,920	\$533	\$500
\$47,920	\$467	\$467
\$49,920	\$400	\$400
\$51,920	\$333	\$333
\$53,920	\$267	\$267
\$55,920	\$200	\$200
\$57,920	\$133	\$133
\$59,920	\$67	\$67
\$61,920+	\$0	\$0



Calculate your co-contributions

You can calculate the co-contribution you may receive with our contributions calculator at www.australiansuper.com/corporate

^{*} Assessable income plus reportable fringe benefits and reportable employer super contributions such as salary sacrifice contributions.

The spouse tax offset

Making an after-tax contribution to your spouse's account may qualify you for a tax offset of up to \$540, if your spouse is a low income earner.

How the spouse tax offset is calculated

If your spouse earns less than \$10,800 you can claim the full 18% tax offset on the first \$3,000 you contribute to your spouse's account each financial year.

The amount that you can claim an offset on reduces from \$3,000 by \$1 for every \$1 of income your partner earns over \$10.800 and cuts out at \$13,800.

Example

Emilie earns \$11,500 and her husband Mark contributes \$3,000 into her super. So Emilie earns \$700 more than the lower threshold of \$10,800. This means Mark can only claim the 18% tax offset on the first \$2,300 he contributes to Emilie's super. So his tax rebate is \$414.00 – 18% of \$2,300.

After-tax contribution limits and tax

You can make up to \$150,000 pa in after-tax contributions. If you are under 65, you can bring forward two years of after-tax contributions and make a lump sum contribution of up to \$450,000 in one financial year.

Contributions included within the after-tax limit are:

- after-tax contributions you make to your super
- after-tax contributions made to your account by your spouse
- contributions that exceed the before-tax contributions limit

Any contributions that exceed the after-tax limit will be taxed at 45% (plus Medicare levy).

Tax File Number notification

Under the Superannuation Industry (Supervision) Act 1993, your super fund is authorised to collect your Tax File Number (TFN), which will only be used for lawful purposes.

These purposes may change as a result of legislative change. The trustee of your super fund may disclose your TFN to another super provider when your benefits are being transferred, unless you request otherwise in writing.

It is not an offence not to quote your TFN. But if your super fund has your TFN:

- it will be able to accept all types of contributions on your behalf
- you will be eligible for concessional tax rates on your super contributions
- no additional tax will be deducted when you withdraw your super
- it will be easier to trace different super accounts in your name so that you receive all your super when you retire.

Boost your super After-tax contributions





Please complete in pen using BLOCK letters. Print 'X' to mark boxes where applicable. Note: Use this form for after-tax contributions. Salary deductions must be arranged with your employer

Surname	Mr Ms Mrs Miss Dr Othe
Given names	
Street address	
Suburb	State Postcode
	State
Date of birth Tax File Number (see below)	AustralianSuper member number
D D M M 1 9 Y Y	
Telephone (BH) (AH)	Mobile
Email	
Employer/Company name	
2. PAYROLL DEDUCTION	
Please speak to your Payroll Division to implement this option.	
3. LUMP SUM PAYMENTS	
deductions and you provide this form to your employer, your employer will pass this form www.australiansuper.com/corporate to make payment using BPAY.	in to Australian Super. Or log on to
4. ELIGIBILITY TO CONTRIBUTE	
To be able to make voluntary contributions, you must meet one of the eligibility criteria und are eligible to contribute, please mark (x) the box below that describes your circumstances	
X I am under the age of 65	
X I have reached age 65 but not age 75, and have worked at least 40 hours in a period of	30 consecutive days in the current financial y
Please contact AustralianSuper immediately if your circumstances change.	
There's an annual limit of \$150,000 (or \$450,000 averaged over three years if you're under age 65) on after-tax co	ontributions. Amounts exceeding this will be taxed at 4
The contract and a second contract and contr	
5. TAX FILE NUMBER NOTIFICATION	
	to collect your Tax File Number (TFN), which
5. TAX FILE NUMBER NOTIFICATION Under the Superannuation Industry (Supervision) Act 1993, your super fund is authorised to	and may disclose your TFN to another super
5. TAX FILE NUMBER NOTIFICATION Under the Superannuation Industry (Supervision) Act 1993, your super fund is authorised to only be used for lawful purposes. These purposes may change as a result of legislative change. The trustee of your super fundaments of the supervision of	and may disclose your TFN to another super
5. TAX FILE NUMBER NOTIFICATION Under the Superannuation Industry (Supervision) Act 1993, your super fund is authorised to only be used for lawful purposes. These purposes may change as a result of legislative change. The trustee of your super furprovider when your benefits are being transferred, unless you request otherwise in writing It is not an offence not to quote your TFN. But if you do not provide your TFN: • benefits paid to you will be taxed at the highest marginal rate plus the Medicare levy	and may disclose your TFN to another super
5. TAX FILE NUMBER NOTIFICATION Under the Superannuation Industry (Supervision) Act 1993, your super fund is authorised to only be used for lawful purposes. These purposes may change as a result of legislative change. The trustee of your super furprovider when your benefits are being transferred, unless you request otherwise in writing It is not an offence not to quote your TFN. But if you do not provide your TFN:	und may disclose your TFN to another super
5. TAX FILE NUMBER NOTIFICATION Under the Superannuation Industry (Supervision) Act 1993, your super fund is authorised to only be used for lawful purposes. These purposes may change as a result of legislative change. The trustee of your super furprovider when your benefits are being transferred, unless you request otherwise in writing It is not an offence not to quote your TFN. But if you do not provide your TFN: • benefits paid to you will be taxed at the highest marginal rate plus the Medicare levy • AustralianSuper may not be able to locate other benefits for you in the Fund, and	und may disclose your TFN to another super
Under the Superannuation Industry (Supervision) Act 1993, your super fund is authorised to only be used for lawful purposes. These purposes may change as a result of legislative change. The trustee of your super furprovider when your benefits are being transferred, unless you request otherwise in writing It is not an offence not to quote your TFN. But if you do not provide your TFN: benefits paid to you will be taxed at the highest marginal rate plus the Medicare levy AustralianSuper may not be able to locate other benefits for you in the Fund, and AustralianSuper will not be able to accept after-tax contributions from you, and any other	und may disclose your TFN to another super
Under the Superannuation Industry (Supervision) Act 1993, your super fund is authorised to only be used for lawful purposes. These purposes may change as a result of legislative change. The trustee of your super furprovider when your benefits are being transferred, unless you request otherwise in writing It is not an offence not to quote your TFN. But if you do not provide your TFN: benefits paid to you will be taxed at the highest marginal rate plus the Medicare levy AustralianSuper may not be able to locate other benefits for you in the Fund, and AustralianSuper will not be able to accept after-tax contributions from you, and any other	und may disclose your TFN to another super

How to make an after-tax contribution

You can make an after-tax contribution by:

- 1 Going online BPAY® online or over the phone with your financial institution using the biller code customer reference number in AustralianSuper Corporate online.
- **2** Cheque complete this *Boost your super* form and send it (freepost) with your cheque made out to AustralianSuper.

You can set up a salary sacrifice (before-tax) contribution by:

3 Payroll deduction – Arrange this with your employer.

No postage stamp required if posted in Australia

AustralianSuper Corporate Reply Paid 4303 MELBOURNE VIC 8060

Delivery Address: GPO Box 4303 MELBOURNE VIC 3001







▶ DETACH HERE, MOISTEN, FOLD AND MAIL

Sender



Need more information?

If you have any questions about contributing to your super, call us on 1300 309 466 or send an email to email@australiansupercorporate.com

You may want to seek advice from a qualified financial adviser. Commission-free financial advice is available to you through Industry Fund Financial Planning (IFFP). As an AustralianSuper member, the initial consultation is free. You are then able to decide whether to proceed based on a fee-for-service approach.

Call 1300 138 848 to arrange an initial discussion with IFFP.

It's Australian. And it's super.

Contact details

If you have any further questions, we're here to help.

Call: 1300 309 466

Mail: GPO Box 4303, MELBOURNE VIC 3001

Email: email@australiansupercorporate.com

Web: www.australiansuper.com/corporate

Important information: This leaflet was issued in March 2011 by AustralianSuper Pty Ltd ABN 94 006 457 987 AFSL 233788, Trustee of AustralianSuper ABN 65 714 394 898. This document is of a general nature and does not take into account your personal objectives, situation or needs. Before making a decision about AustralianSuper, consider your financial requirements and read our Product Disclosure Statement, available at www.australiansuper.com/corporate or by calling 1300 309 466. Investment returns are not guaranteed as all investments carry some risk. Past performance gives no indication of future returns. All tax rates and thresholds quoted in this brochure are for the 2010/11 year and may be subject to change in future years. Statements made by AustralianSuper members in this brochure have been reproduced with the members' consent. This consent had not been withdrawn as at the date of this publication. Industry SuperFund logo used with the permission of Industry Fund Services (IFS). This consent had not been withdrawn at the date of publication.

® Registered to BPAY Pty Ltd ABN 69 079 137 518

Please note: AustralianSuper does not recommend, endorse or accept responsibility for services provided by Industry Fund Financial Planning (IFFP). Terms and conditions apply – these should be obtained from IFFP. AustralianSuper does not accept liability for any loss or damage caused by the services provided by IFFP. AustralianSuper may invest in IFFP but does not receive any commissions from IFFP as a result of members using their services.

The projections in this leaflet should not be relied upon as a true representation of any actual superannuation entitlements or benefits from any particular fund. The projections do not take into account your particular financial circumstances, needs or objectives and should not be relied upon as financial advice.

Assumptions for projection on page 2: Results are shown in today's dollars. Contributions increase each year in line with assumed salary increases at a rate of 3.5% pa. Contributions tax of 15% is applied to employer contributions (both SG and salary sacrifice contributions). SG contributions based on before-tax salary. Effect of Government co-contributions is not shown. Long term inflation rate of 2.5% pa. Crediting rate of 7.5% pa based on investment in a Balanced investment option. No allowance is made for tax on benefit payments.

Assumptions for projections on page 3: Zero balance at commencement. Results are shown in today's dollars. Contributions increase each year in line with assumed salary increases at a rate of 3.5% pa. Effect of Government co-contributions is not shown. Long term inflation rate of 2.5% pa. Crediting rate of 7.5% pa based on investment in a Balanced investment option. No allowance is made for the effect of administration fees or insurance premiums. No allowance is made for tax on benefit payments.