

TODAY'S TOPIC

5 popular contribution strategies

Thank you for joining us.
We will commence shortly



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If you are not a TelstraSuper member, we cannot offer, request or invite you to purchase a financial product after this session, without your prior consent. We can, however, provide you with factual information about the benefits and features of the different superannuation products that TelstraSuper has available. If you are considering acquiring a financial product, you should obtain the relevant product disclosure statement before making a decision. Any taxation information in the presentation is factual information only. If you require taxation advice you should consult your accountant or tax adviser.

If you would like to find out more information about TelstraSuper's products, please contact us by email at contact@telstrasuper.com.au or use the Contact Form on the website to make a request about a specific product, and we will arrange for a Member Contact Centre Consultant to call you to discuss that product. Alternatively, you can call our Member Contact Centre Consultants on 1300 033 166 to ask for further information about our products



THE BENEFITS OF
SUPER



CONTRIBUTION
STRATEGIES



HOW
TELSTRASUPER
CAN ASSIST



QUESTIONS



THE BENEFITS
OF SUPER



THE BENEFITS OF SUPER

Investing in super



When employed

- Your employer is required to contribute 10% of your salary as compulsory superannuation guarantee contributions into your nominated super fund so you will have money for your retirement.
- Any Pre-tax contributions you make into super, will be taxed concessionally at 15%*
- Your superannuation is invested by your fund and any investment earnings are also taxed up to 15%
- Compounding is an important part of investing. Compounding is the investment returns generated on the returns you've already earned.



In retirement

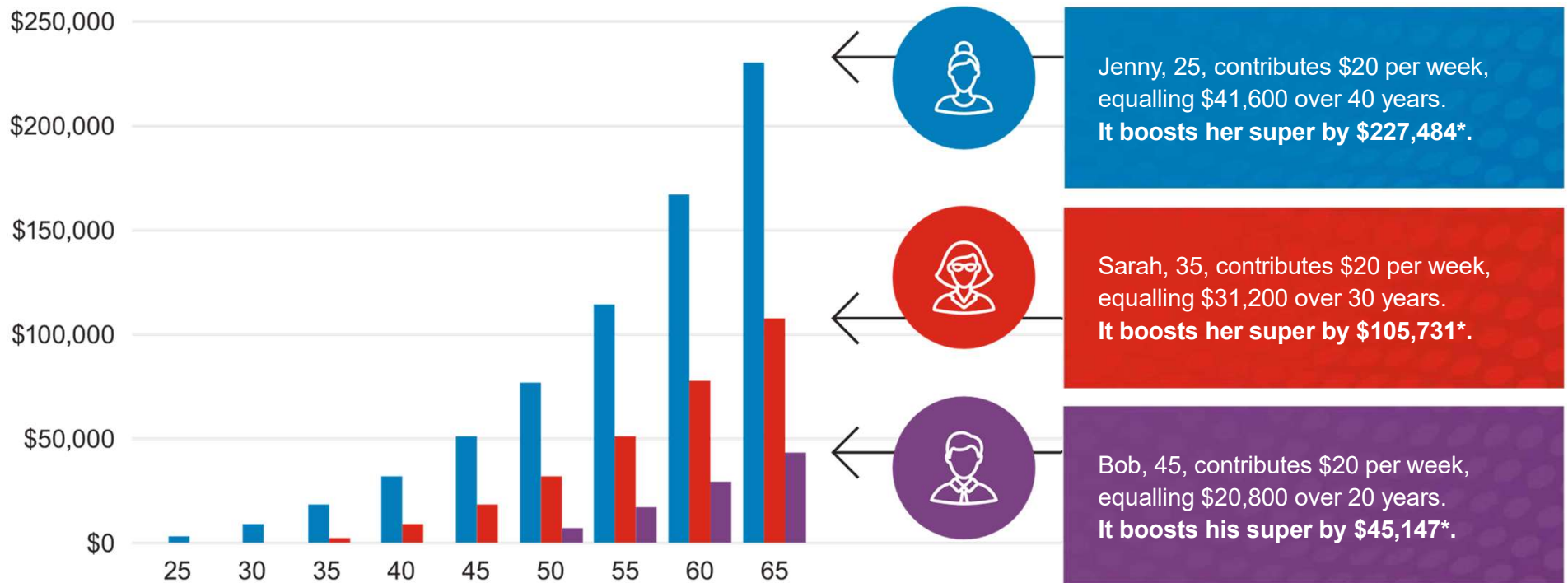
- After age 60 when you stop working and retire, any withdrawals you make from your super fund, are not taxed
- If you decide to commence a retirement income stream, there is no tax applied to your investment earnings (You can commence a retirement income stream up to the transfer balance cap limit**)
- After age 60 when you stop working and retire, you are able to leave your super in your accumulation account. There is no requirement to commence a retirement income stream.
- Compounding is an important part of investing. Compounding is the investment returns generated on the returns you've already earned.

*It is important to be aware that there are limits and conditions on how much you can contribute each year.

**Subject to a \$1.7 million Transfer Balance Cap that applies to retirement income streams.

THE BENEFITS OF SUPER

Maximising contributions



* Based on no initial balance, weekly regular deposit of \$20 until age 65, an investment return of 7% p.a. net of fees, taxes and other costs, retirement age of 65. Not discounted to today's dollars. Past performance is not a reliable indicator of future performance. This presentation contains factual information and general advice only. It has been prepared without taking into account your objectives, financial situation and needs. You should consider whether it is appropriate having regard to your personal circumstances before making any financial decisions. If you are considering acquiring a financial product you should obtain the relevant product disclosure statement before making any decision. Source: www.moneysmart.gov.au/budgeting/compound-interest-calculator

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5 POPULAR CONTRIBUTION STRATEGIES



STRATEGY 1

Making contributions and important caps



Pre-tax (concessional contributions)

Employer contributions, salary sacrifice, personal deductible contributions, insurance premiums paid by your employer

15% tax rate

Annual contribution cap **\$27,500**

Rolling 5-year catch up

If your total super balance is less than \$500,000 as at end of the previous financial year, any unused concessional contributions cap amounts can be carried forward for up to five years before they expire.

Post-tax (non-concessional contributions)

Contribution made from after-tax income and spouse contributions

0% tax on the way in

Annual contribution cap **\$110,000^{**}**

Bring forward rule^{^#}

If your total super balance is less than \$1.7 million individuals aged under 67 may be able to make up to three years' worth of post-tax contributions (up to \$330,000^{**}) to their super in a single year.

* For the 2021-22 financial year, you must meet the work test if aged 67 to 74 or satisfy the work test exemption criteria. To satisfy the work test you must complete at least 40 hours of paid work in a period of not more than 30 consecutive days in the financial year in which you plan to make non-concessional contributions. The work test exemption means you can also make personal contributions during the first financial year you don't meet the work test if your total superannuation balance at the end of the previous financial year is less than \$300,000.

[^] Subject to the \$1.7 million total superannuation balance cap. Individuals with a total superannuation balance of \$1.48 million or more are not able to utilise the full bring forward rule.

[#] Must be under age 67 at the start of the financial year and meet other eligibility criteria.

^{**} Once you trigger the bring-forward arrangement in a year, any change to the non-concessional contributions cap for the bring-forward period doesn't apply to you. The bring-forward cap amount is set based on the cap in the first year of the period.

Source: www.ato.gov.au/Rates/Key-superannuation-rates-and-thresholds/?page=3 | www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-contributions---too-much-can-mean-extra-tax/?page=3

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STRATEGY 1

Claiming a tax deduction



If you have made a personal contribution to your super and wish to claim a tax deduction, you are required to provide your super fund with a 'notice of intention to claim a tax deduction form'. The form is available via www.telstrasuper.com.au/information-hub/find-a-form

For future information refer to www.ato.gov.au/individuals/super/in-detail/growing-your-super/claiming-deductions-for-personal-super-contributions/

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STRATEGY 1

Important contribution caps



↑ Total super balance

Includes all superannuation funds and retirement income streams

\$1.7 million

No further post-tax (non-concessional) contributions

If the total superannuation balance across all your superannuation and retirement income streams (not just your TelstraSuper account) is equal to or greater than \$1.7 million at the end of the previous financial year.

Transfer balance cap * ↑

Maximum amount that can be transferred from superannuation accumulation funds into the tax-free retirement phase

\$1.7 million

Lifetime limit on transfers into retirement phase income streams, including most pensions or annuities*

Includes all retirement phase income streams and retirement phase death benefit income streams.

TelstraSuper Financial Planning has a team of phone-based Advisers who can provide you with simple advice in relation to your contributions. There's no additional cost for our phone-based advice as this is included in your TelstraSuper membership. You can contact us on 1300 033 166 or request an appointment with our online contact form. Telstra Super Financial Planning Pty Ltd (TSFP) AFSL 218705 wholly owned by Telstra Super Pty Ltd as trustee for the Telstra Superannuation Scheme (TelstraSuper)

***Every individual will have their own personal transfer balance cap of between \$1.6 and \$1.7 million, depending on their circumstances. If you start a retirement phase income stream for the first time on or after 1 July 2021, you will have a personal transfer balance cap of \$1.7 million. If you had a transfer balance account before 1 July 2021, your personal transfer balance cap may vary.**

* The Age Pension (or other types of government payments) and pensions received from foreign super funds do not count towards your transfer balance cap.

Source: www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-contributions---too-much-can-mean-extra-tax/?page=5 | www.ato.gov.au/individuals/super/withdrawing-and-using-your-super/transfer-balance-cap/

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STRATEGY 2

Government co-contribution



Annual Income	\$41,112 or less	\$44,112	\$47,112	\$50,112	\$53,112	\$56,112 or more
Personal contribution of \$1,000	\$500	\$400	\$300	\$200	\$100	Nil

The above information is based on the 2021/22 financial year. To receive the co-contribution, your total income must be less than the higher income threshold for that financial year and your personal contributions must reach your super fund by 30 June each year for you to receive a government co-contribution for that financial year. Other eligibility criteria apply.

Source: www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-co-contribution/?anchor=Makingpersonalsupercontributions#Makingpersonalsupercontributions

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STRATEGY 3

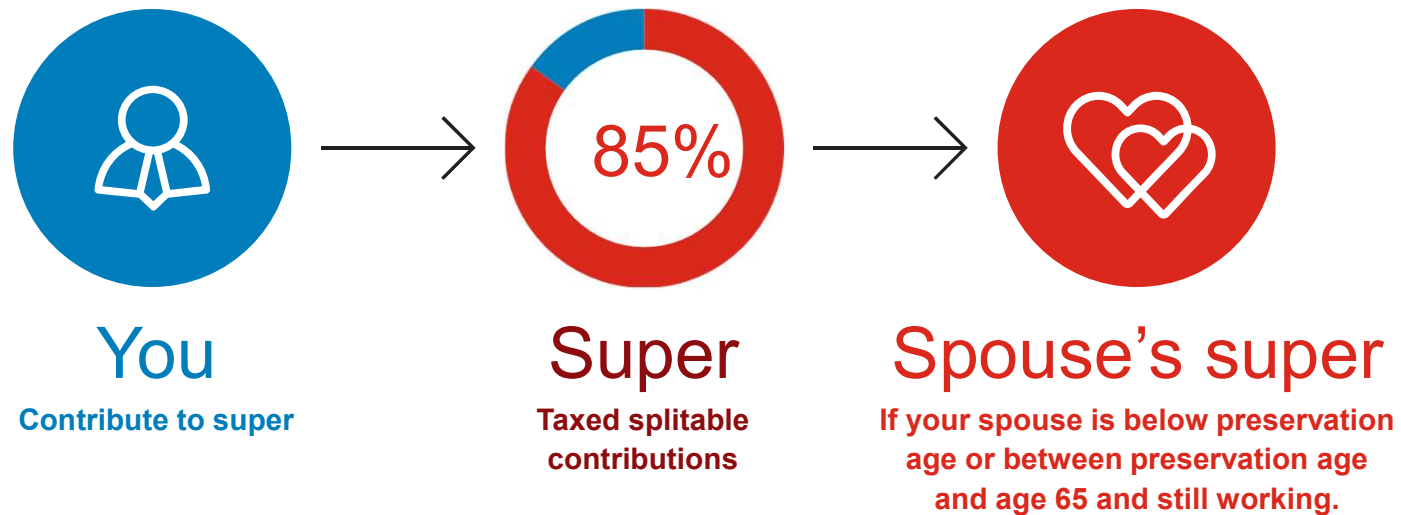
Spouse contributions – update notes



* The tax offset amount reduces when your spouse's income is greater than \$37,000 and completely phases out when your spouse's income reaches \$40,000. This information is based on the 2021/22 financial year. Other eligibility criteria apply.
Source: www.ato.gov.au/individuals/income-and-deductions/offsets-and-rebates/super-related-tax-offsets/

STRATEGY 4

Contribution splitting



Some of the benefits of contribution splitting include:

- ✓ Increasing your spouse's super.
- ✓ Having earlier access to your super if your spouse is older than you.
- ✓ If your spouse is younger than you, you may qualify for a higher Age Pension under the assets test.

Taxed splitable contributions are generally any employer contributions (including salary-sacrifice contributions) and any personal super contributions you wish to claim a tax deduction for in your income tax return. Applications to split your super contributions with your spouse can be made immediately after the financial year in which the contributions were made. Source: www.ato.gov.au/Forms/Contributions-splitting/

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STRATEGY 5

Downsizer contributions



Proceeds of selling your home
(can only be used once)



Contribute to super
**\$300,000 per person or
\$600,000 per couple**
(contribution caps don't apply to downsizer contributions)

If you're **65 years old or older** and have **owned your home for a minimum of 10 years** (excluding motorhomes, boats or caravans), you may be eligible to make a downsizer contribution from the proceeds of selling your home.

It was proposed in the 2021 Federal Budget to lower the eligibility to age 60. Other rules governing the scheme will remain unchanged. This proposal has an expected start date of 1 July 2022 and legislation will need to be passed for the change to take affect.

Source: www.ato.gov.au/individuals/super/growing-your-super/adding-to-your-super/downsizing-contributions-into-superannuation/

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HOW TELSTRASUPER CAN ASSIST

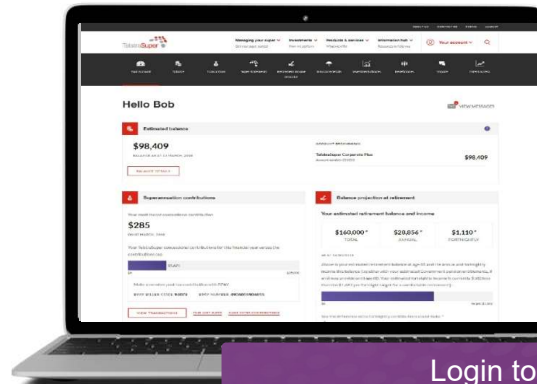


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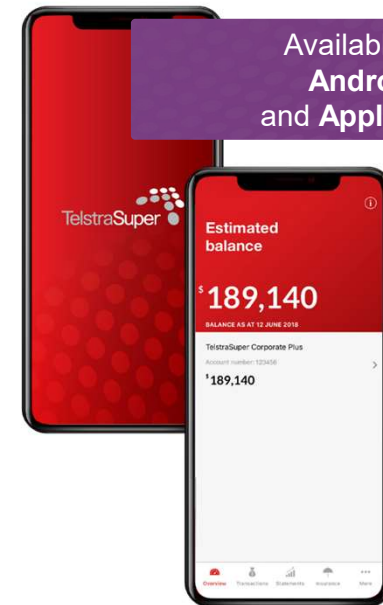
Keeping in touch with your super



- ✓ Update your email address and personal details
- ✓ Check your account balance
- ✓ Review your insurance cover
- ✓ View your nominated beneficiaries and make a non-binding nomination
- ✓ Review your investment options and investment returns
- ✓ Keep track of pre-tax contributions against the concessional contributions cap
- ✓ Review benefit statements
- ✓ View latest contributions and transactions



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HOW TELSTRASUPER CAN ASSIST

Retirement projector



Any advice contained in this Retirement Projector is of a general nature only and does not take into account the personal needs and circumstances of any particular individual. Prior to acting on any information contained in this projector, you need to take into account your own financial circumstances, consider the product disclosure statement for any product you are considering and seek professional advice from a Financial adviser.

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HOW TELSTRASUPER CAN ASSIST

Four financial advice services to empower you



SUPER *sorter*

Simple phone advice and info to max your super.



STEP *it up*

Want to take that next step with your super or finances? We'll find you a simple solution.



BIG *picture it*

Let's check out your whole financial situation and make a plan.



STAY *on track*

Ongoing expert coaching on super and wealth. We'll nudge and encourage you, keeping you on track as life changes.

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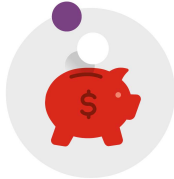
The fund you trust with your super, is now there for your friends.

Invite a friend. We'll do the rest.

telstrasuper.com.au/refer



Competitive fees



Profits back to you



Strong long-term performance



Simple advice on you super



When we win, you win!



Responsible investors

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Happy to answer your questions.



1300 033 166

8:30am - 5:30pm (Melbourne time) Monday to Friday



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