TODAY'S TOPIC

Complex contribution strategies

Thank you for joining us.
We will commence shortly

Meet the speakers

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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

CONTRIBUTION STRATEGIES

CONTRIBUTION CASE STUDIES

HOW TELSTRASUPER CAN ASSIST

QUESTIONS

CONTRIBUTION STRATEGIES

Making contributions and important caps

Pre-tax (concessional contributions)	Post-tax (non-concessional contributions)
Employer contributions, salary sacrifice, personal deductible contributions, insurance premiums paid by your employer	Contribution made from after-tax income and spouse contributions
15% tax rate	**0% tax on the way in**
Annual contribution cap **$27,500**	Annual contribution cap **$110,000***^
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.	**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

Important contribution caps

Total super balance	Transfer balance cap *
Includes all superannuation funds and retirement income streams	Maximum amount that can be transferred from superannuation accumulation funds into the tax-free retirement phase
$1.7 million	**$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.	**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/

CONTRIBUTION STRATEGIES

Government co-contribution

You

Post-tax contributions up to $1,000

Super

Government

Government pays you a co-contribution up to $500

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

CONTRIBUTION STRATEGIES

Spouse contributions

TelstraSuper

You

Contribute up to $3,000

Spouse's super

if they earn up to $40,000*

Tax offset

of up to $540 (18% on up to $3,000 contributed)

* 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/

WAYS TO BOOST YOUR SUPER

Downsizer contributions

TelstraSuper

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

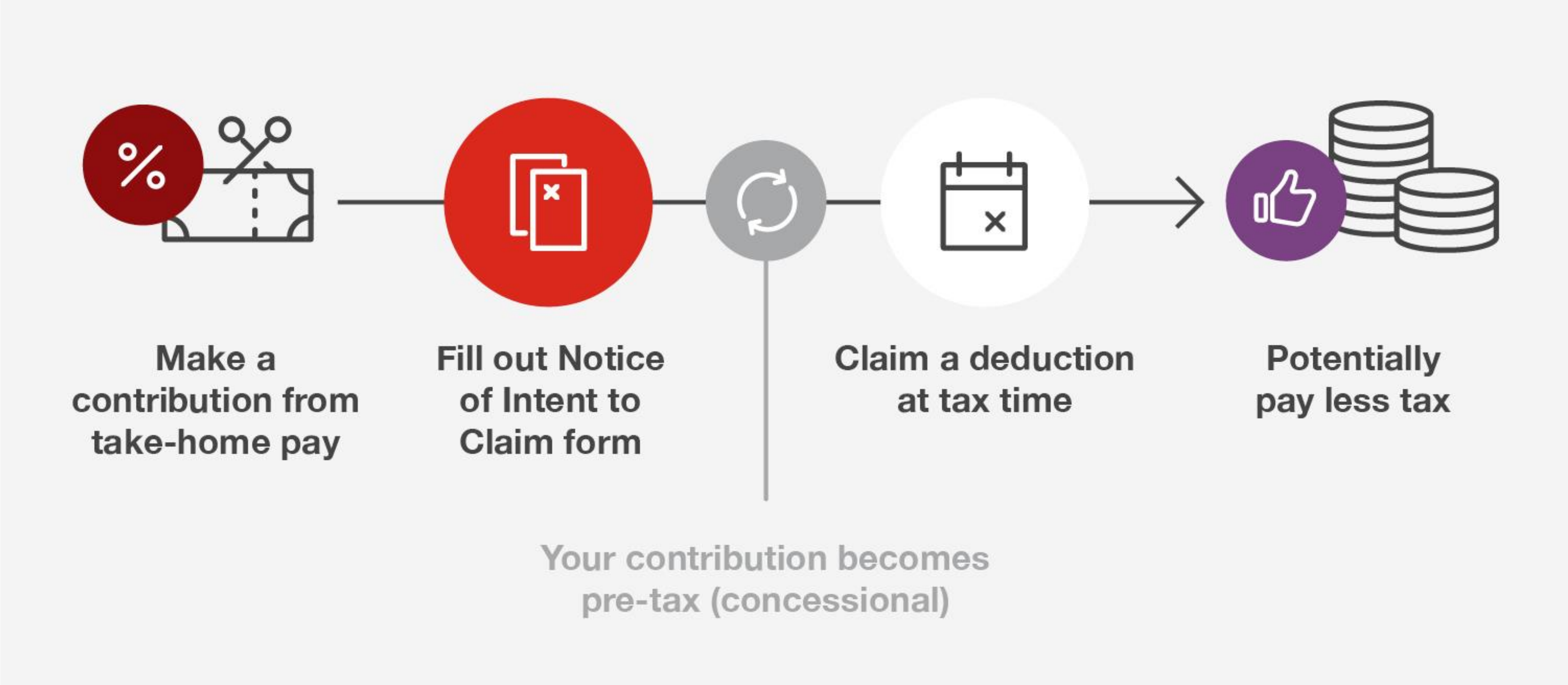
Contribute to super
$300,000 per person or
$600,000 per couple
(contribution caps don't apply to downsizer contributions)

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 for the downsizer contribution to age 60. This bill has now been passed with a start date of 1 July 2022.
Source: www.ato.gov.au/individuals/super/growing-your-super/adding-to-your-super/downsizing-contributions-into-superannuation/

CONTRIBUTION STRATEGIES

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/

CONTRIBUTION CASE STUDIES

CASE STUDY 1

Member situation

- Alison is aged 60 and her current income is $96,000 p.a.
- Her current TelstraSuper balance is $389,000.
- Alison recently received a lump sum of $100,000 net from a recent redundancy which is the catalyst for advice. She has renovation plans totalling $30,000 which she would like to use the funds for.
- Alison wants to know what to do with her redundancy payment given the bank account interest rates are so low and still wanting to ensure she has ample funds for her renovations. She also would like to plan for her retirement in next 5 years.

TelstraSuper

Strategy

- Following financial advice, given Alison has not utilised her full concessional cap entitlement in previous years, as part of her contribution strategy we would consider:
  - ✓ Utilising catch–up concessional contributions
  - ✓ Making salary sacrifice contributions; and
  - ✓ Making a non - concessional contribution
  - ✓ Setting up transition to retirement

Outcome

- Alison began a transition to retirement income stream (TTR) to draw an income to allow the continuation of her salary sacrifice contributions across the next 5 years until retirement, so it does not impact her net take home pay.
- Following a risk analysis, the investment strategy was updated for both Alison's accumulation and TTR funds to maximise returns inline with her risk tolerance.

End result

- By seeking financial advice, Alison achieved:
  - ✓ A tax reduction of $9,610; and
  - ✓ Increased her super by $79,950

CASE STUDY 2

Member situation

- Tim is age 55 and plans to retire at age 62.
- He is currently working full time with Telstra and his salary is $100,000 pa. and looking to increase his super for retirement.
- He has $450,000 invested in his TelstraSuper fund.
- Tim has received an inheritance of $30,000 and is looking to invest the money in his super in a tax effective manner to build his nest egg.
- He previously received super guarantee contribution in his fund and his projected super guarantee for this financial year is $10,000.

Current financial year	Total contribution	Contribution cap	Remaining cap space
Current 21/22	$10,000	$27,500	$17,500
Previous 20/21	$10,000	$25,000	$15,000

CASE STUDY 2

Strategy

- Following financial advice, Tim will focus on concessional contributions catch-up given he is nearing his total super balance of $500,000.
- The strategy for Tim involved making a one-off lump sum personal deductible contribution; of which part will count towards this financial year's concessional contribution limit and the remaining amount will be a concessional catch-up contribution given Tim has not utilised his full cap entitlement in previous financial years.

Outcome

- Tim will contribute $30,000 into his super and achieve a tax saving of $6,150 (once the tax return for the financial year is lodged).
- By engaging a financial adviser, Tim was able to boost his super balance in a tax effective way for retirement and also save on tax.

Please note, all of the contributions you make, or made on your behalf, and all earnings since 30 June 1999 are preserved. You may only access these benefits if certain conditions are met and are subject to cashing restrictions.

CASE STUDY 3

Member situation

- Sandra is aged 72 and retired and is turning 73 in April 2022.
- She recently downsized her property and has proceeds of $410,000 to invest.
- Sandra has $600,000 in her TelstraSuper fund of which $500,000 is in an income stream and $100,000 in accumulation.

CASE STUDY 3

Strategy

- Following financial advice, Sandra made a downsizer contribution of $300,000 from the sale of her home into her TelstraSuper Personal Plus account this financial year.
- As announced in the 2021 Federal Budget, from 1 July 2022, the work test requirements for individuals aged between 65 -74 will be removed. Following this change, the next strategy is to make a one off non-concessional contribution of $110,000 to Sandra’s Personal Plus account.

Outcome

- The above strategy will result in:
  - ✓ Sandra’s Personal plus balance increasing to $510,000; and
  - ✓ Her income stream balance will be $500,000.
- Sandra will be able to maximise her super using the existing rules and her fund will be professionally managed in a tax effective manner for her retirement.
- Once the non-concessional contribution is made in the next financial year, Sandra’s financial adviser will review her fund structure and consider the option to roll more money into an income stream as earnings are tax free in income stream environment. This strategy will depend on considerations such as her ongoing income needs each year.

Financial advice services to empower you

Personal financial advice on one or a few topics

STEP
it up

If you're wanting to maximise one or a few areas of your super or finances and need some extra assistance, an Adviser can provide you with personal advice by phone or video.

The first meeting with your Adviser is complimentary and will give you the opportunity to decide if you'd like to proceed. The cost of preparing your financial advice will be clear and, if you proceed, you'll receive advice that is tailored to your unique situation.

Receive advice on a single topic or a few topics

- Income stream set up
- Transitioning to retirement
- Investment review
- Complex super contributions
- Compare my super
- Your saving goals (budgeting and cashflow)
- Debt v's super
- Non-super investments.

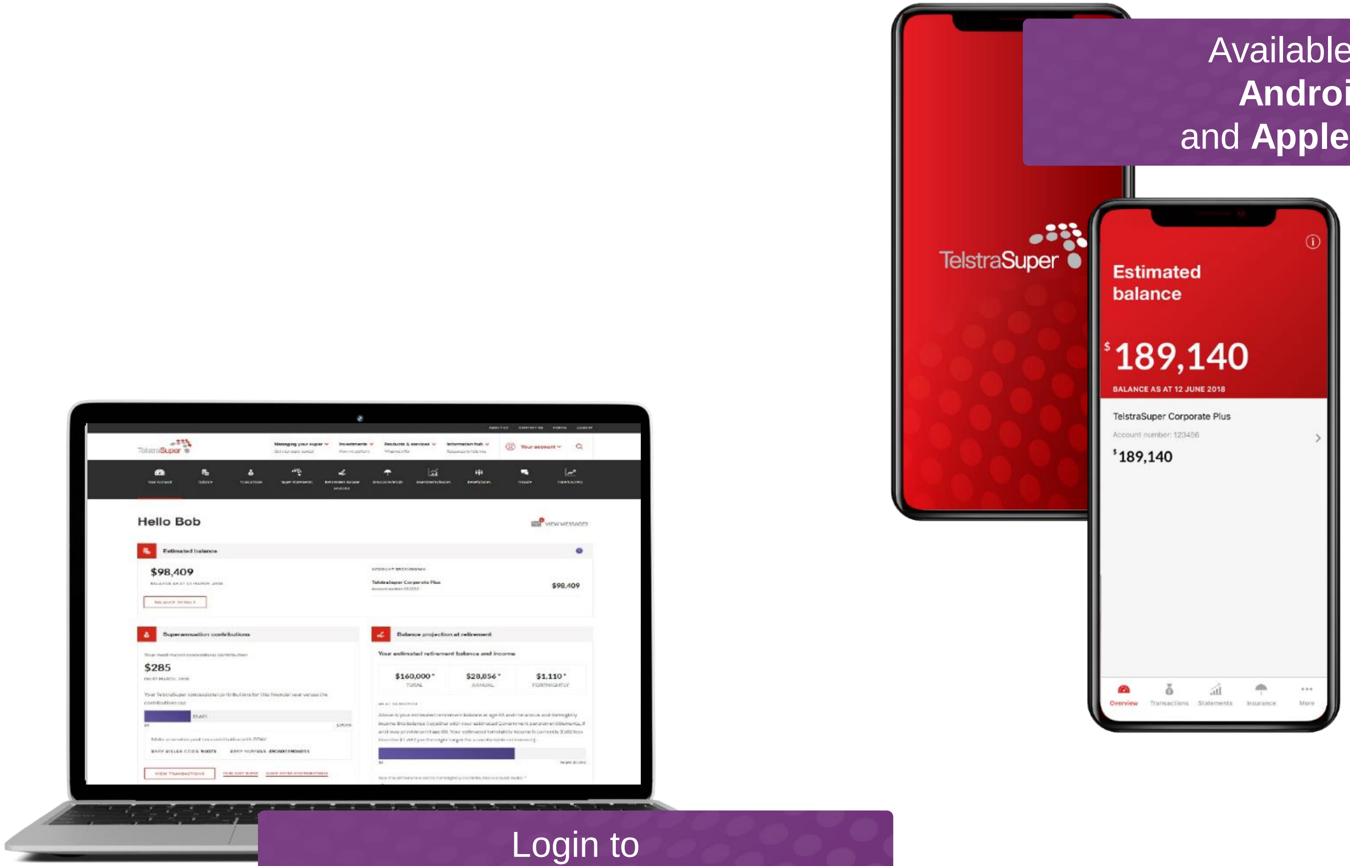
The one-off advice fee ranges from $450 to $1,000 per topic, per person (plus GST where applicable), depending on the scope and complexity of the advice. The actual fees will be advised to you in the initial meeting

HOW TELSTRASUPER CAN ASSIST

HOW TELSTRASUPER CAN ASSIST

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



Available on **Android** and **Apple iOS**.

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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.

HOW TELSTRASUPER CAN ASSIST

Four financial advice services to empower you

TelstraSuper

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Simple phone advice and info to max your super.

STEP *it up*

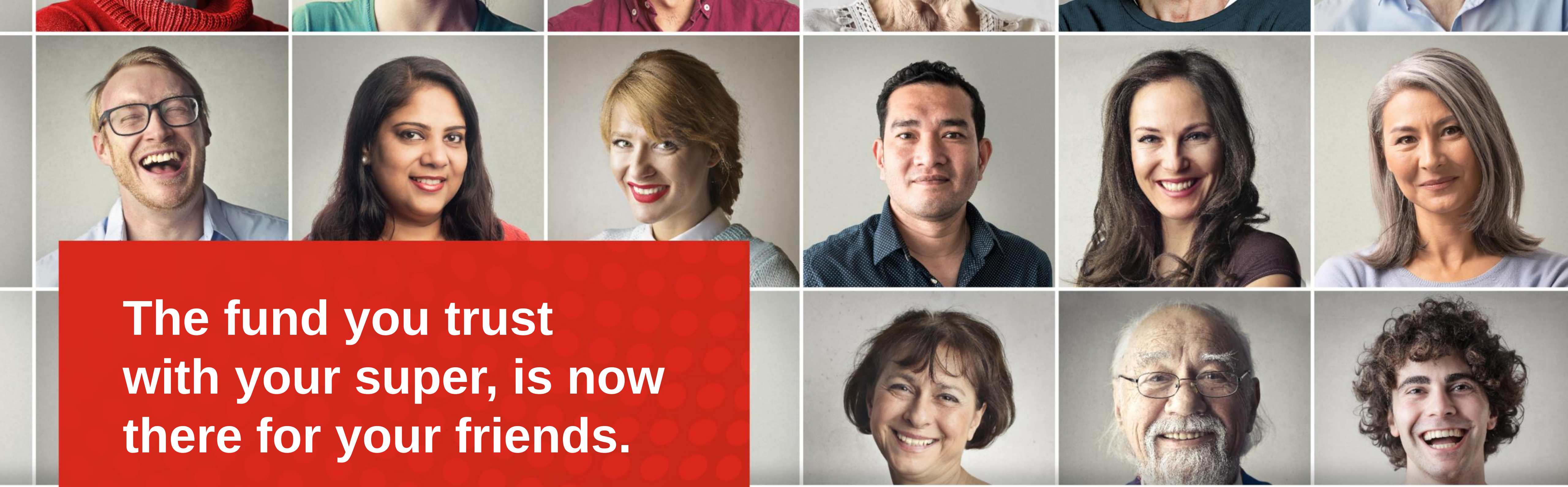
Want to take that next step with your super or finances? We'll find you a simple solution.

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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