

Upcoming changes to super



Benefits of TelstraSuper



Security of Australia's largest corporate fund

- \$17 billion invested
- 100,000 members,
- Not for profit
- Over 25 years' experience



All your super in one account

Locate and combine your other super accounts into your TelstraSuper account.



Your fund for life

You can stay as a TelstraSuper member even if you change jobs and your eligible family members can join too!



Strong investment performance

Our consistently strong investment returns ensure your super continues to grow over the long term.



Multi award winning fund

2015 SuperRatings*
Fund of the year

2015, 2014 & 2012
SuperRatings*
Super of the year



Comprehensive insurance cover

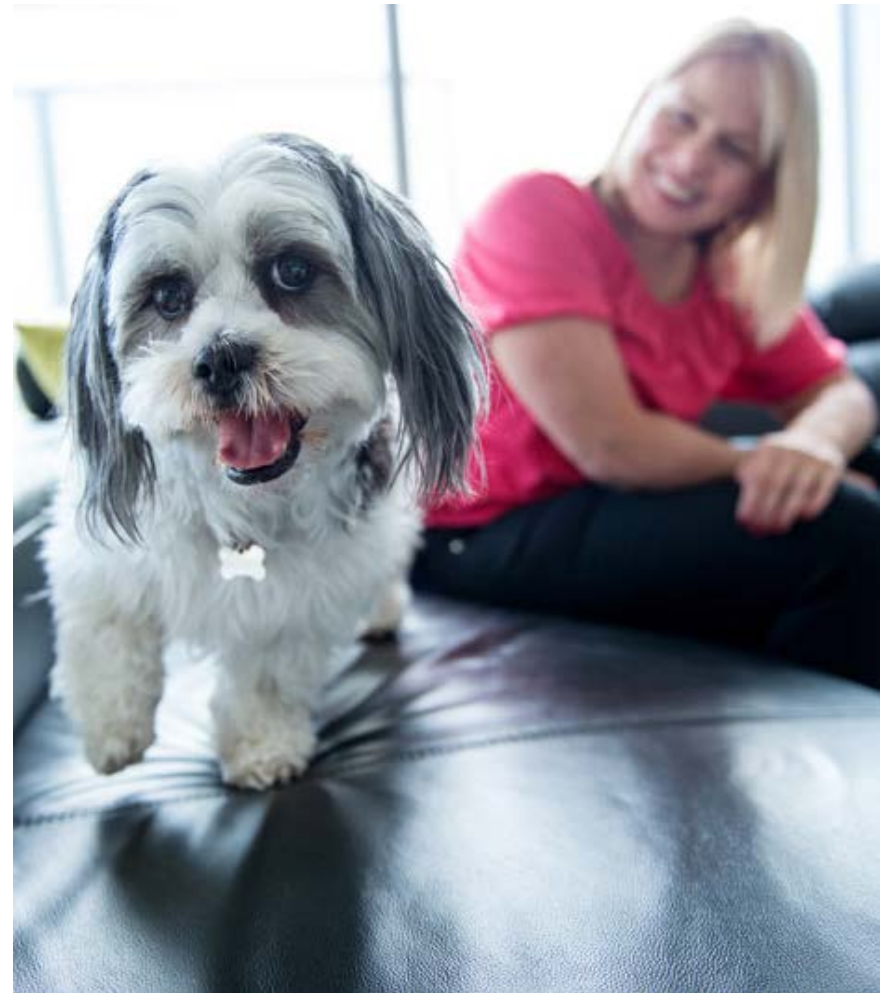
Enjoy the security of automatic income protection cover and employer-paid base death and disability insurance.

Important Notice

Any advice in this presentation 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.

Any information about taxation in this presentation is factual information or general advice only and does not consider the application or interpretation of any taxation laws to your personal circumstances. If you require taxation advice you should seek advice from a registered tax agent or a registered tax (financial) adviser.



Agenda



Overview of the changes



TelstraSuper assistance



The new legislation



Summary



What is the impact?



Questions



What do you need to do?



Summary of the changes from the 1st of July 2017



Changes to contributing to super

- A reduction in the contribution limits
- \$1.6 million balance restriction on contributing
- Tax deductions allowable for contributions to super
- Increased eligibility for spouse contribution tax offset
- Low Income Superannuation Tax Offset
- Increase in contributions tax for high income earners



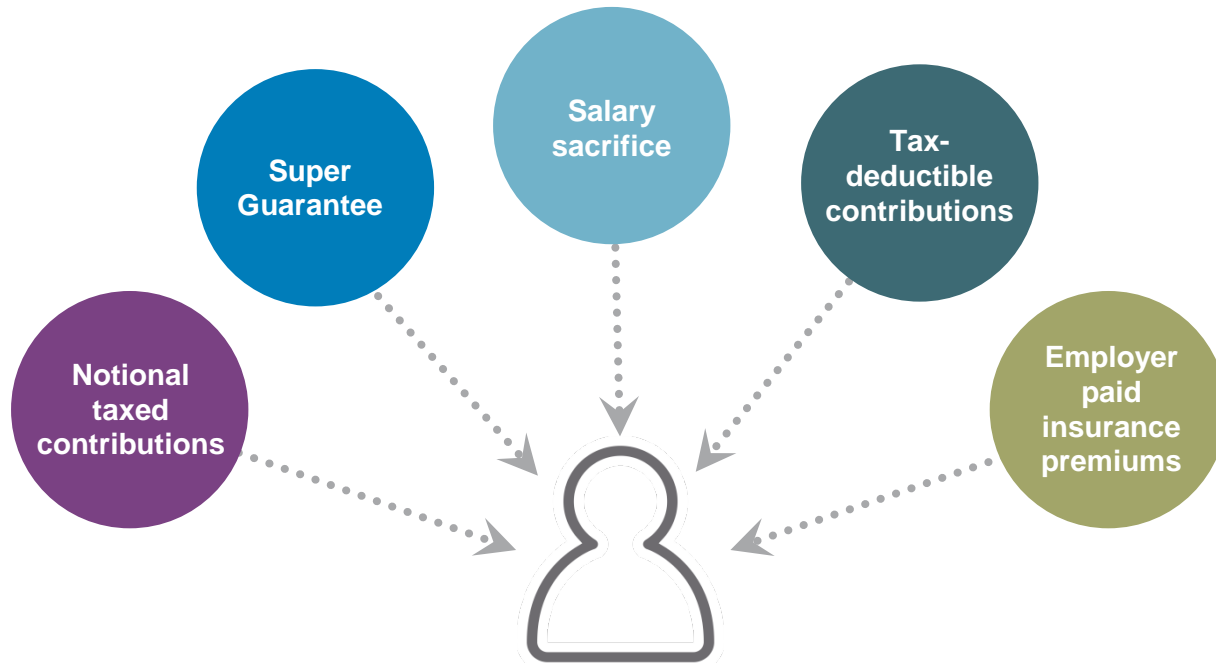
Other changes to super

- \$1.6 million pension transfer balance cap
- Earnings tax levied on transition to retirement pensions
- Abolition of anti-detriment payments
- Increase in the Age Pension age

Changes to contributing to super



Pre-tax contributions (concessional)



Current	
49 years or over at 30 June 2016	All others
\$35,000 cap	\$30,000 cap
Effective from 1 July 2017	
All	
\$25,000 p.a.	
Rolling 5 year catch-up provision <\$500k balance from 1 July 2018	

Impact of pre-tax contribution changes

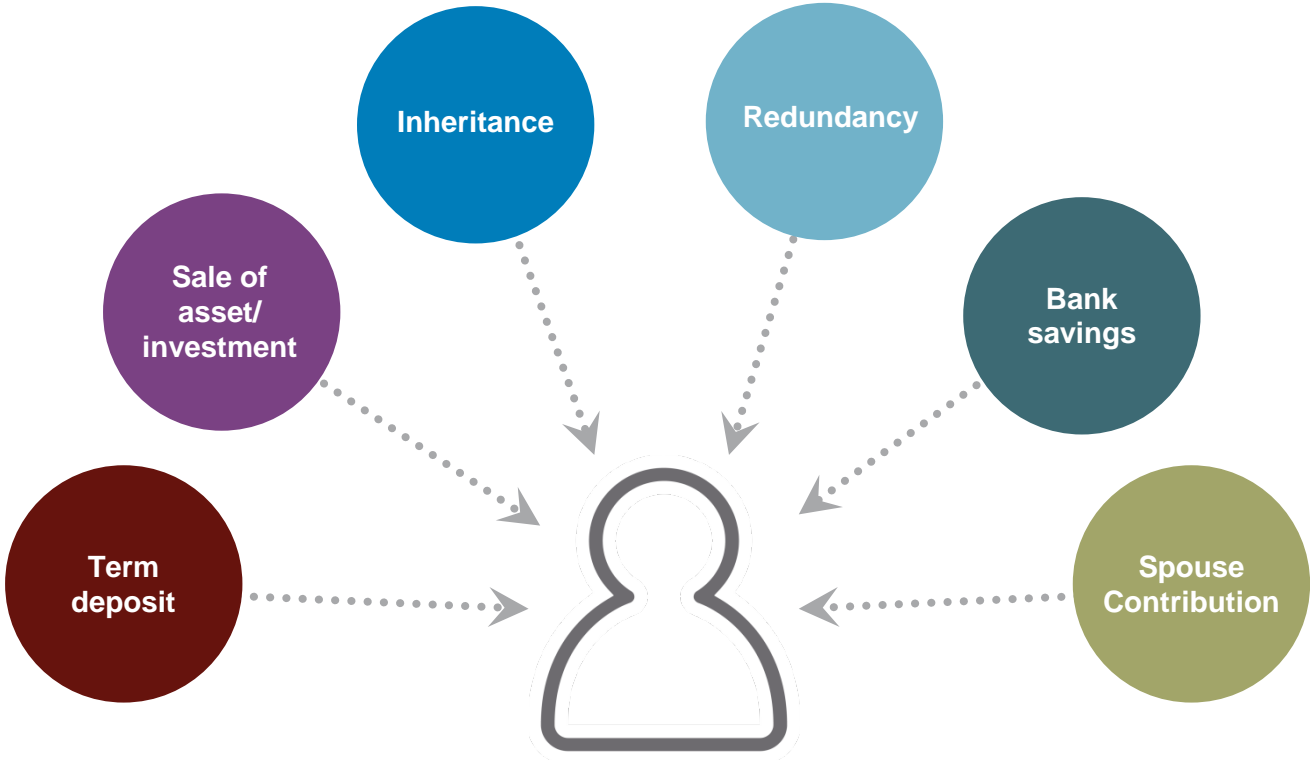
Opportunity

- Consider utilising the post-tax contribution cap
- Potential to contribute up to \$25k and claim a tax deduction
- Rolling 5 year catch up provision for members <\$500k in super
 - Creation of individual cap
 - Ability to contribute up to \$125k concessional or claim a tax deduction
 - Potential ability to reduce CGT on assets outside of super
- Contribution splitting to maintain balance below \$500k

Consideration

- Reduce pre-tax contributions to below \$25k per annum
- Start early
- Employer paid insurance premiums (which count towards the cap)
- Telstra generally pays 10% SGC
- Aged 65-74 can only make pre-tax contributions if working
- Maximum Contribution Base (\$51,620 per quarter for 2016/17 FY)

Post-tax contribution (non-concessional)



Current	Effective 1 July 2017**
\$180,000 p.a. cap	\$100,000 p.a. cap < \$1.6 million balance
\$540,000 over 3 year period	\$300,000 over 3 year period <\$1.6 million balance
\$180,000 p.a. cap 65 and over*	\$100,000 p.a. cap 65 and over*

* Must satisfy work test if aged 65 and over

Impact of post-tax contribution changes

Opportunity

- Opportunity to contribute up to the current caps prior to 1st of July 2017
 - With a balance in excess of \$1.6 million
 - Contribute to current bring forward provisions
- Contribution splitting to maintain a balance below \$1.6 million
- Maximise contributions to bring balance to \$1.6 million
- CSS Pension implications plus other super accounts held
- Individual cap therefore opportunity to contribute to combined up to \$1,080,000 per couple

Consideration

- Age
 - Under 65
 - Aged 65-74 (work test)
- Previous contributions
 - Bring forward rule previously triggered (transitional arrangements will apply)
- Preservation of funds

Changes to spouse contribution



You

Contribute up
to **\$3,000**



Spouse super

if they earn up
to **\$40,000***



Tax offset

of **\$540** or **18%** of
\$3,000 contributed

* A partial offset is available if your spouse's income is over \$37,000 but less than \$40,000 p.a.

Low income super tax offset (LISTO)



You

Income of less than **\$37,000**



Pre-Tax contributions

up to **\$3,333***



Tax offset

Maximum refund up to **\$500**

* Pre-tax contributions up to \$3,333 will have the 15% Contributions tax refunded.

Impact for low income earners

Opportunity

- Ability for low income earners and their spouses to strategically maximise contributions to super
 - Co-contribution
 - Spouse contribution
 - LISTO

Consideration

- Balance equalisation for low balance partners
 - Contribution splitting
 - Contributing post-tax
- Contribution eligibility
 - Aged 65-74 must satisfy work test
- Spouse preservation



Pre-tax contribution splitting



Up to **85% of your pre-tax contributions** to super can be **split into your spouse's super**

**\$100
pre-tax
contribution**

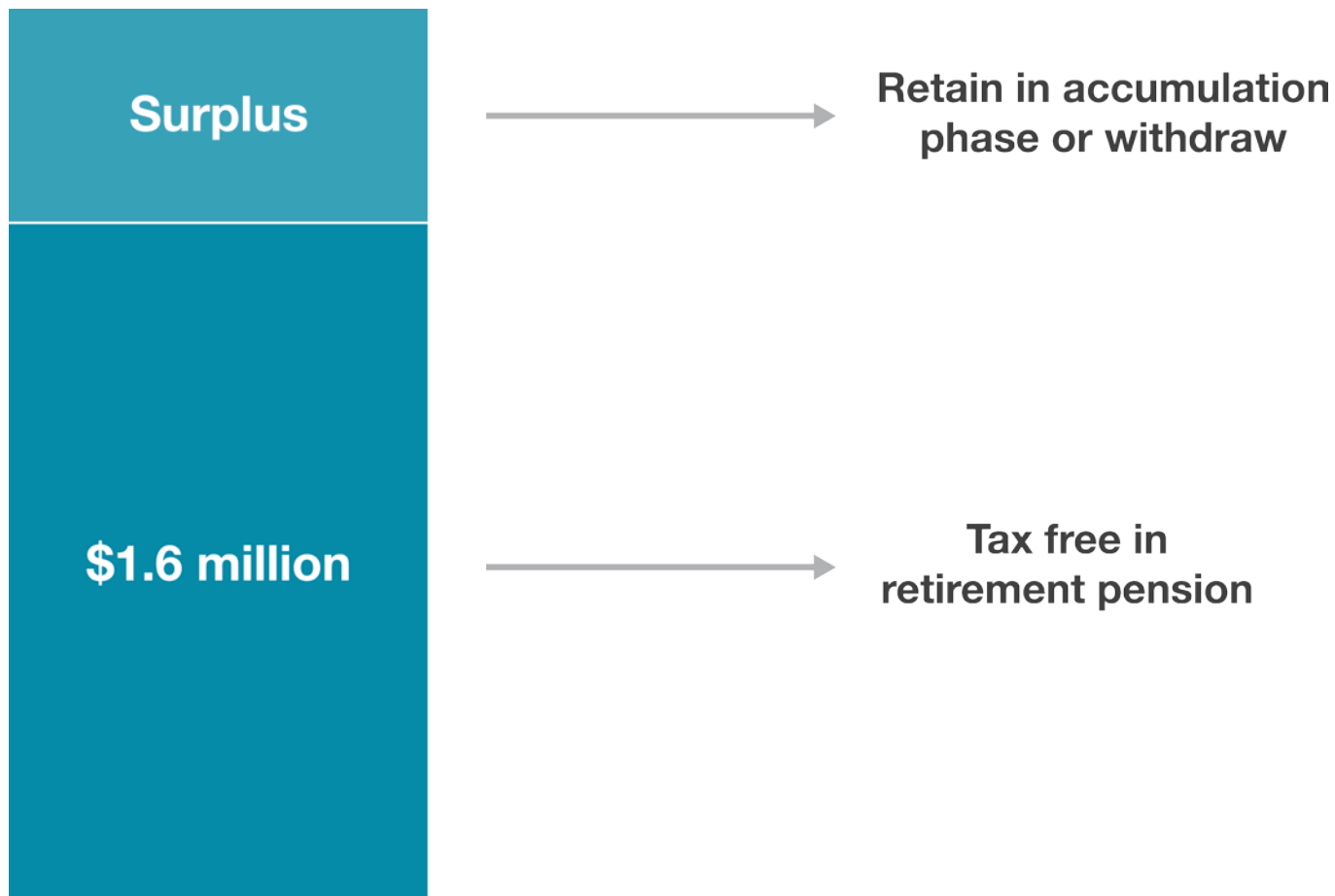
**\$15
tax**

**Up to \$85
into your spouse's super**

Other changes impacting super



\$1.6 million transfer balance cap



\$1.6 million transfer balance cap

Opportunity

- Withdraw surplus and contribute to a lower balance partner
- Retain surplus in concessional super accumulation environment

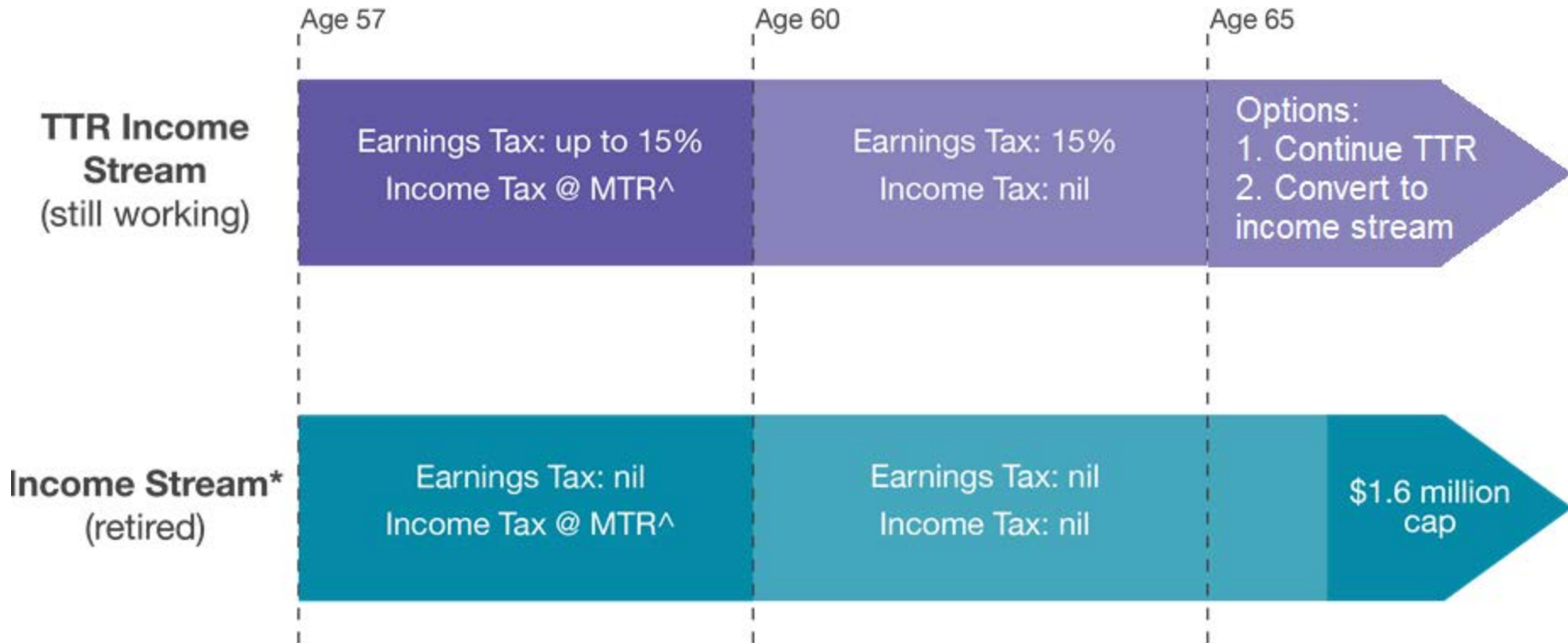
Consideration

- Drawdown % from pension environment
 - How much to withdraw from pension vs. accumulation
 - Maximise tax free investment earnings
- Transitional arrangements for \$1.6 - \$1.7 million
- Withdrawal
 - Satisfying a condition of release
 - Investment outside of super
 - Tax on investments outside of super
- Contribution to a partner
 - Under 65
 - Aged 65-74 (work test)
 - Bring forward rule previously triggered (transitional arrangements will apply)



Retirement Income

Changes from 1st July



[^]15% tax offset may apply to taxable component of income stream

Transition to Retirement

Opportunity

- Retain TTR for
 - salary sacrifice strategy
 - genuine transitioning to retirement
- Transfer TTR to retirement pension
 - Retain tax-free status <\$1.6 million
- Ability to drawdown and re-contribute to a spouse

Consideration

- Age pension grandfathering
- Aged under 60
 - Value is diminished
- 60 or over revise TTR strategy
 - changes to salary sacrifice caps
 - % drawdown
- Transfer to retirement pension
 - Reached age 65
 - Permanently retired from the workforce



TelstraSuper assistance



Simple advice options

General and limited one-off personal advice about super



Phone

Comprehensive advice options

Other one-off personal advice



Face-to-face



Video chat

Ongoing advice service



Face-to-face



Video chat

- [Dashboard](#) →
- [Balance](#) →
- [Consolidate Super](#) →
- [Investment Choices](#) →
- [Transactions](#) →
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Hello

LAST LOGGED IN ON 01/05/2013 AT 12:00AM

Estimated balance

AS AT 13 JULY, 2017

TelstraSuper Personal Plus \$564,118
Account number: 027893

[BALANCE DETAILS](#)

Investment performance and asset mix

Combined investment mix

The chart below shows the combined mix of investment options in which your balance is invested. For information on strategic investment mixes for each investment option see the [investment guide](#).

Important information about investment performance and asset mix

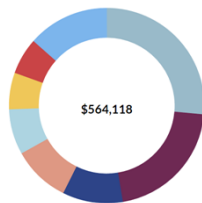
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Combined investment mix

The chart below shows the combined mix of investment options in which your balance is invested. For information on strategic investment mixes for each investment option see the [investment guide](#).

Important information about investment performance and asset mix

[LEARN MORE](#)



- Australian Shares 26.48%
- International Shares 20.92%
- Property 10.00%
- Australian Fixed Interest 9.51%
- Infrastructure 7.53%
- Credit 6.06%
- Income Securities 6.06%
- Other 13.45%

Investment performance

The table below shows the investment option(s) in which your current balance is invested. If you have invested across more than one investment option, the performance of underlying investments may mean that the amount allocated to each investment option has changed since your last investment instruction.

INVESTMENT OPTION	VALUE (\$AUD)	UNIT PRICE	WEIGHT	INVESTMENT RETURNS TO 31/12/2016	
				1 YEAR	5 YEARS
Balanced	278,173.99	4.18961	49.31%	6.58%	10.86%
Defensive Growth	285,944.64	2.69643	50.69%	7.80%	9.63%

[UPDATE MY INVESTMENT CHOICE](#)

check your
balance

check
your
insurance

nominate
your
beneficiaries

review your
investment
options

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