



Popular contribution strategies

Thank you for joining us.
We will commence shortly



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Please refer to <https://www.telstrasuper.com.au/about-us/awards> to see further information on our awards from both third-party rating agencies and industry peers that recognise TelstraSuper's achievements in each of the nominated areas.

Agenda



The importance of super



Popular contribution strategies



How TelstraSuper can assist



Questions



THE IMPORTANCE OF SUPER



Investing in super

WHEN EMPLOYED



- Your employer is required to contribute 11% of your eligible earnings[^] 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 concessionaly at 15%*. Pre-tax contributions also include what your employer contributes.
- 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**).
- When you stop working and retire, you can leave your super in your accumulation account for as long as you like. There is no requirement to commence a retirement income stream.
- You can still take advantage of compounding interest in retirement.

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

** If you start a retirement phase income stream for the first time on or after 1 July 2023, the transfer balance cap is \$1.9 million.

[^]11% employer contribution rate is not relevant to members with a defined benefit account

Maximising contributions & compound interest



Jenny
25 years old



Sarah
35 years old



Bob
45 years old

Weekly contribution	\$20	\$20	\$20
Total amount contributed to age 65	\$41,600	\$31,200	\$20,800
Estimated boost to retirement savings*	\$227,484	\$105,731	\$45,147

*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. The annual interest rate takes into account the effect of compound interest. The results calculated are shown in future dollars and no adjustment has been made for inflation. Based on a retirement age of 65.

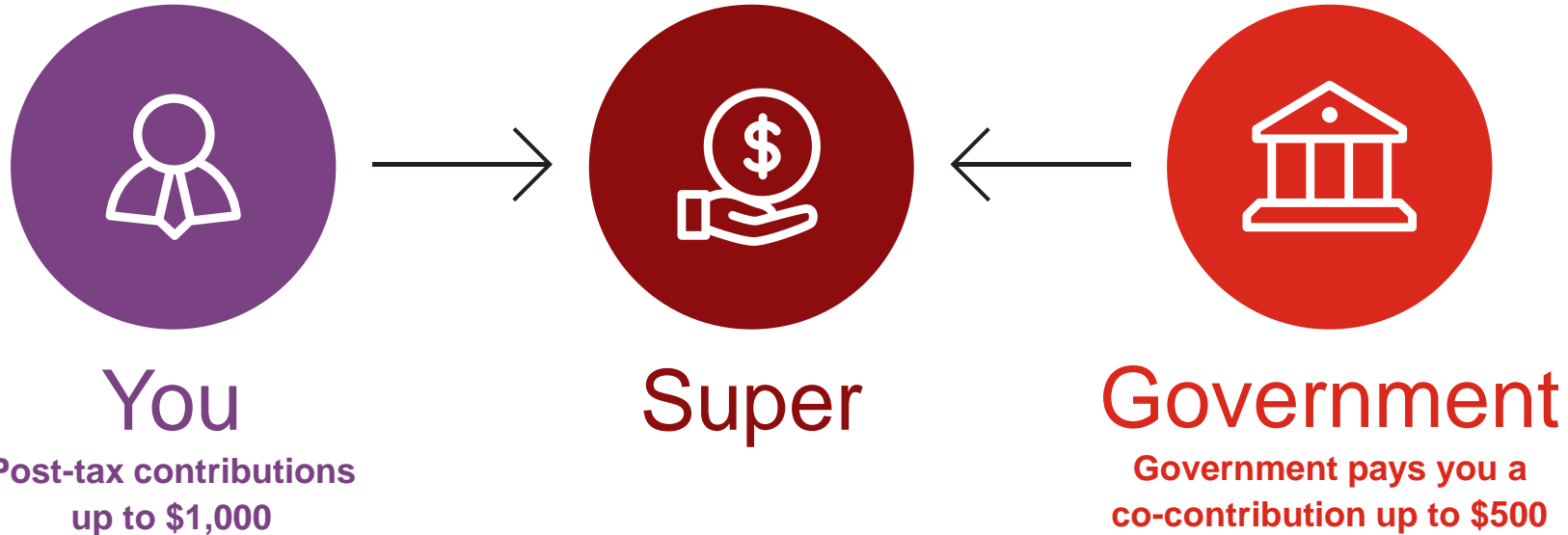
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POPULAR CONTRIBUTION STRATEGIES



Government co-contribution

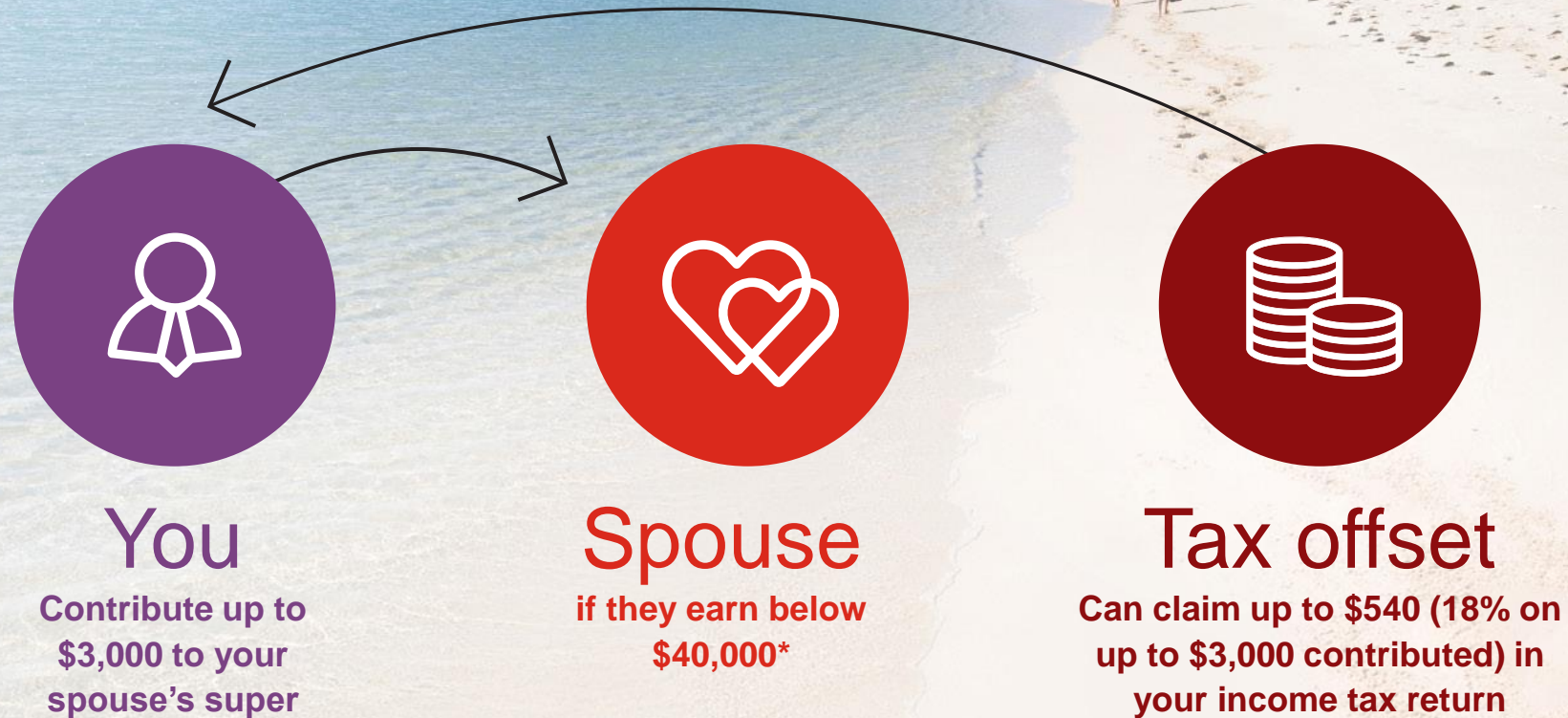


Annual Income	\$43,445 or less	\$46,445	\$49,445	\$52,445	\$55,445	\$58,445 or more
Personal contribution of \$1,000	\$500	\$400	\$300	\$200	\$100	Nil

The above information is based on the 2023/24 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 for you to receive a government co-contribution for that financial year. Other eligibility criteria apply.

Source: [Government contributions | Australian Taxation Office \(ato.gov.au\)](https://www.ato.gov.au)

Spouse contributions

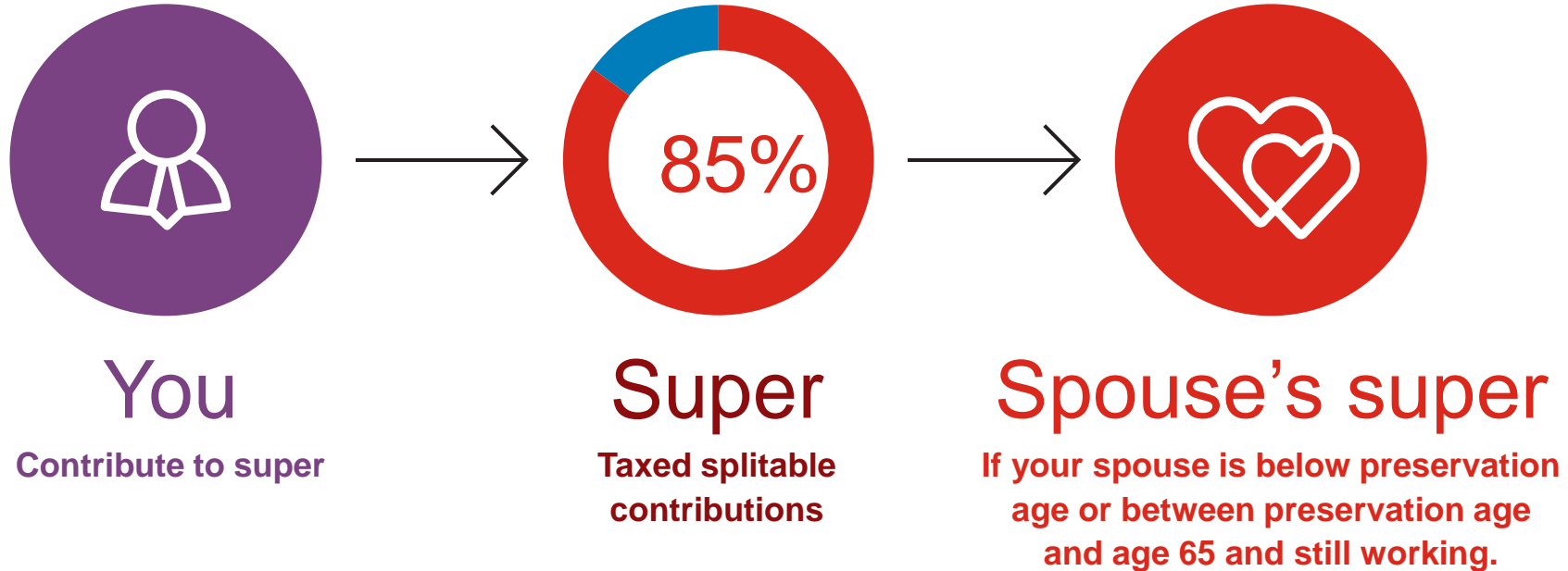


* The tax offset amount reduces when your spouse's income is greater than \$37,000 and completely phases out when your spouse's income reaches \$40,000.

This information is based on the 2023/24 financial year. Other eligibility criteria apply.

Source: [Spouse super contributions | Australian Taxation Office \(ato.gov.au\)](#)

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.

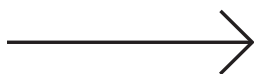
Taxed splittable contributions are generally any employer contributions (including salary-sacrifice contributions) and any personal super contributions you wish to claim a tax deduction for in your income tax return. Applications to split your super contributions with your spouse can be made immediately after the financial year in which the contributions were made.

Source: [Contributions splitting | Australian Taxation Office \(ato.gov.au\)](https://ato.gov.au/Content.aspx?Content=Contributions%20splitting)

Downsizer contribution



**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 **55 and over from 1 January 2023** 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.

Refer to [Downsizer super contributions | Australian Taxation Office \(ato.gov.au\)](#) for full eligibility on downsizer contributions.

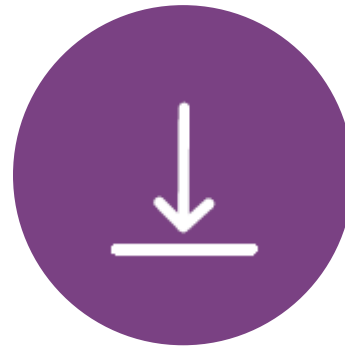
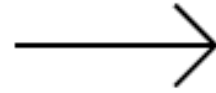
First home super saver scheme

The First Home Super Saver (FHSS) Scheme allows eligible first home buyers to withdraw their voluntary super contributions – along with deemed earnings – to put towards a home deposit.



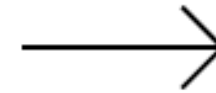
You

Make extra contributions to your super for a deposit, up to \$50,000



Withdraw

Apply to the Australian Taxation Office (ATO) to release your super



Buy your home

buy your home within 12 months of your application

You can only withdraw contributions under the scheme once and you can't withdraw the super that your employer is obliged to pay – only the extra voluntary contributions your made after 1 July 2017. Refer to www.ato.gov.au/individuals/super/withdrawing-and-using-your-super/first-home-super-saver-scheme for full eligibility on contributions and withdrawals.

Summary of contribution limits



Pre-tax (concessional contributions)

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

15% tax

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 \$1.9 million and aged under 75 may be able to make up to three years' worth of post-tax contributions (up to \$330,000^{**}) in a single year.

* From 1 July 2022, individuals aged between 67 to 74 are able to make or receive personal contributions and salary sacrificed contributions without meeting the work test, subject to the existing contribution caps. However, they will be required to meet the work test to claim a deduction for personal contributions. 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.

[^] Subject to the \$1.9 million total superannuation balance cap. Individuals with a total superannuation balance of \$1.68 million or more are not able to utilise the full bring forward rule.

[#] Must be under age 75 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: [Contributions caps | Australian Taxation Office \(ato.gov.au\)](https://ato.gov.au) and [Caps, limits and tax on super contributions | Australian Taxation Office \(ato.gov.au\)](https://ato.gov.au)

Work test requirements

There have been a number of changes to the work test in recent years.

The most recent change from 1 July 2022, saw the removal of the 'work test' requirement allowing individuals under age 75 to make or receive non-concessional contributions.

However, individuals aged between 67-74 who wish to make **personal deductible contributions**, are still required to meet the 'work test'.

To satisfy the work test you must complete at least 40 hours of paid work in a period of 30 consecutive days in the financial year in which you plan to make non-concessional contributions and then claim a personal superannuation contribution deduction.

All concessional and non-concessional contributions are subject to existing contribution caps

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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Important contribution limits



Total super balance

Includes all superannuation funds and retirement income streams

\$1.9 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 \$1.9 million at the end of the previous financial year (i.e.30/06/2023).



Transfer balance cap

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

\$1.9 million[^]

Example

John retires at age 62 with a total super balance of \$2 million. He is able to commence a retirement income stream with up to \$1.9 million[^]. John can leave the remaining \$100,000 in his superannuation accumulation account and access this money when needed tax-free as he has retired and reached his superannuation preservation age.

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 simple 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)

[^]If you start a retirement phase income stream for the first time on or after 1 July 2023, the transfer balance cap is \$1.9 million. Every individual will have their own personal transfer balance cap depending on their circumstances and whether they have already commenced an income stream account.



HOW TELSTRASUPER CAN ASSIST

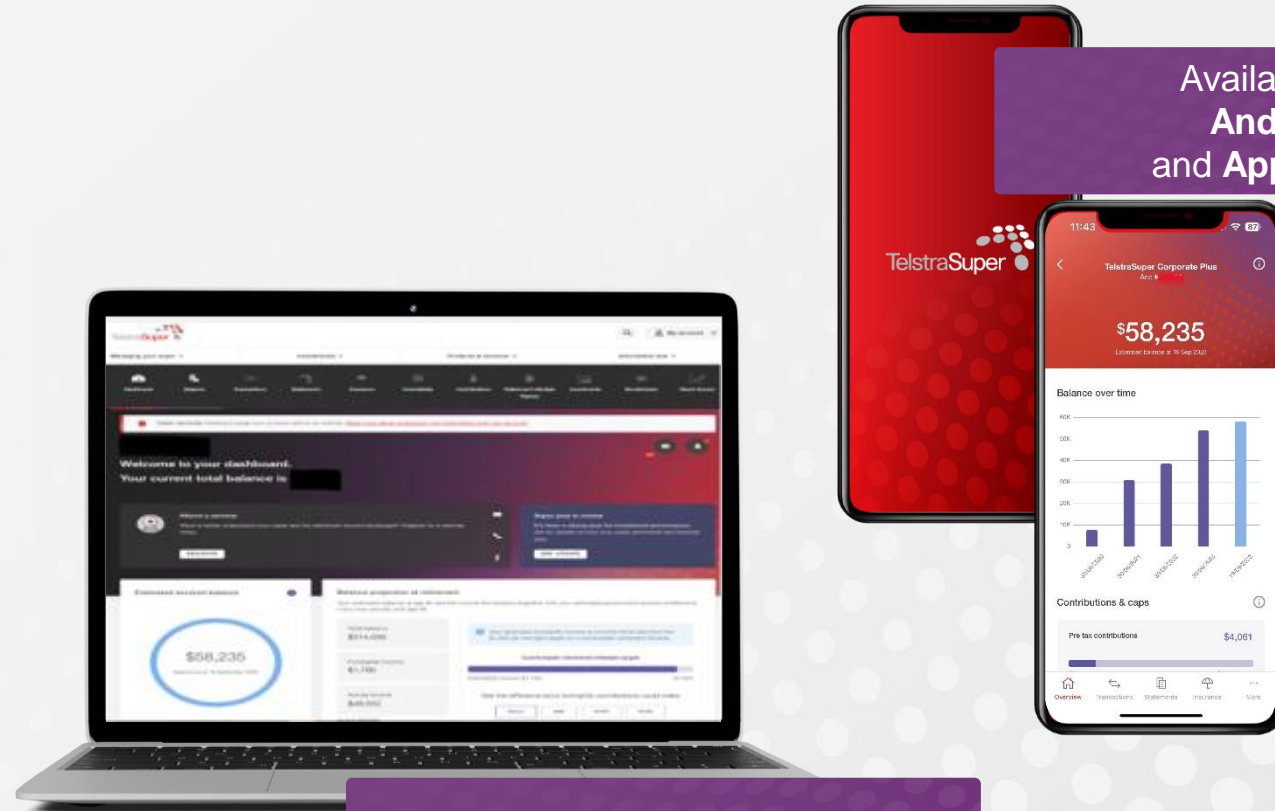


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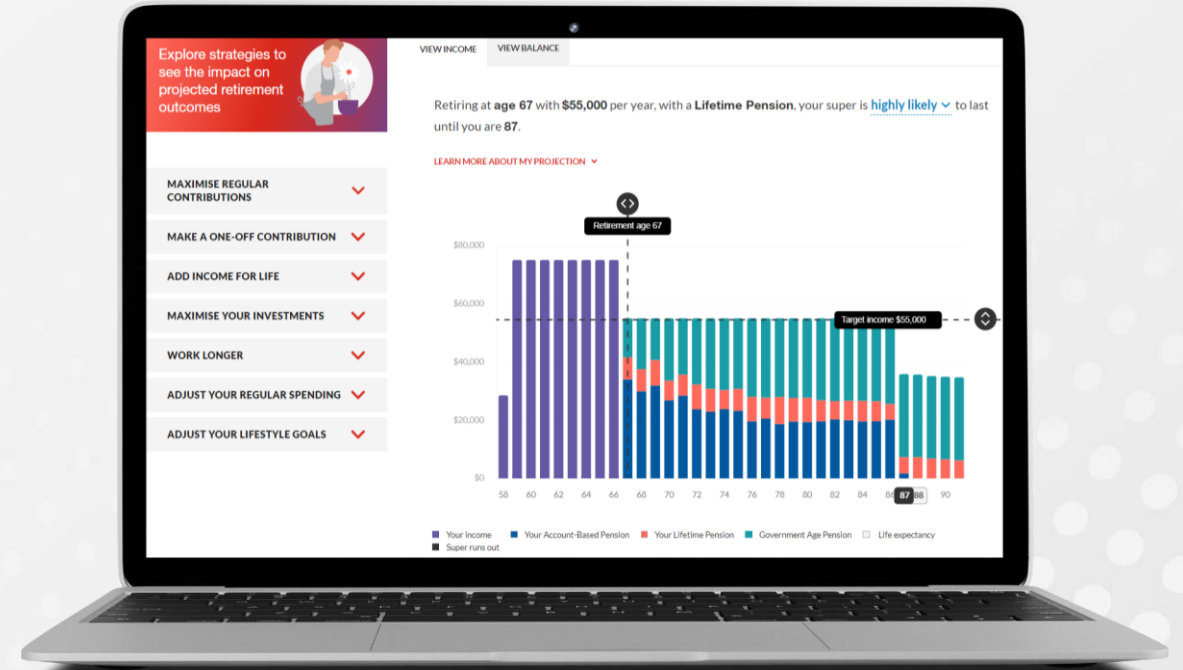
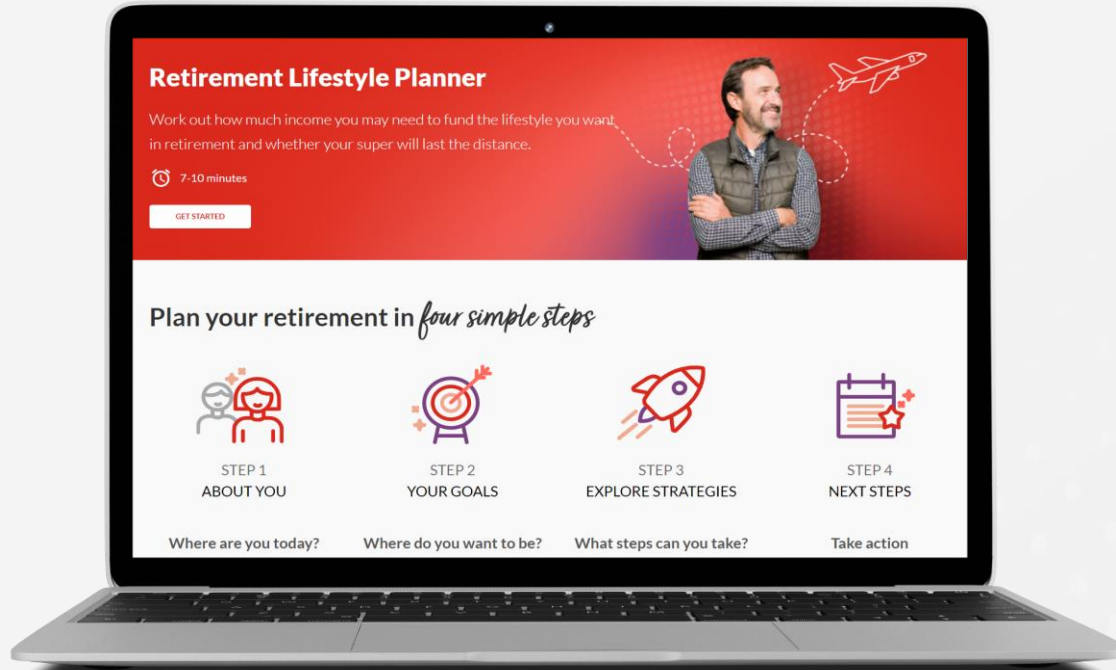
Keeping in touch with your super



- ✓ Update your personal details
- ✓ Provide your personal email address
- ✓ 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 contribution caps
- ✓ Review benefit statements
- ✓ View latest contributions and transactions



Retirement lifestyle planner



- You can set your goals and where you want to be at retirement, helping you to determine how much income you may need to support your retirement lifestyle
- Allows you to assess the impact that different scenarios could have on your goals/retirement outcomes such as planned career breaks/time off to raise children, making lump sum withdrawals and making additional contributions
- See how much Government Age Pension you may qualify for and include other investments, assets and income that you may have

The information you provide in the calculator will be used by Telstra Super Pty Ltd to provide you with an illustrative income projection. However, it may not take into account all of your relevant personal needs and circumstances and it is not intended to replace financial advice. A financial planner can assess your financial needs more broadly, can help you optimise your financial position and can provide you with specific financial product advice. We recommend that, prior to acting on any information contained in this calculator, you consider the relevant Product Disclosure Statement and Target Market Determination.

Access the calculators www.telstrasuper.com.au/information-hub/calculators

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SUPER *sorter*

Simple phone advice and info designed to help you maximise your super.

No additional cost to members

Included in membership



STEP *it up*

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

Low cost Options

\$500 - \$900 per topic per person (+GST if applicable)



BIG *picture it*

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

One off fee for service

\$1000 - \$3000 (+GST if applicable)



STAY *on track*

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

Annual fee for service

\$1750[^] pa or \$2300[^] pa depending on advice (+GST if applicable)

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[^]The ongoing advice service provides our clients with a review of the advice previously provided by us within the last 12 months, however if additional advice is required outside of this scope, due to changes in client's circumstances, additional costs may apply. Further information about costs are included in the client agreement

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