

TODAY'S TOPIC

# Redundancy and your super

Thank you for joining us.  
We will commence shortly.



## IMPORTANT NOTICE

This presentation contains factual information and general advice only, including information about financial products. 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 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](mailto: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



**REDUNDANCY  
PAYMENTS**



**CENTRELINK**



**SUPERANNUATION**



**HOW TELSTRASUPER  
CAN ASSIST**



**YOUR  
TELSTRASUPER FUND**



**QUESTIONS**



## REDUNDANCY PAYMENTS



# How do I calculate my tax-free portion?

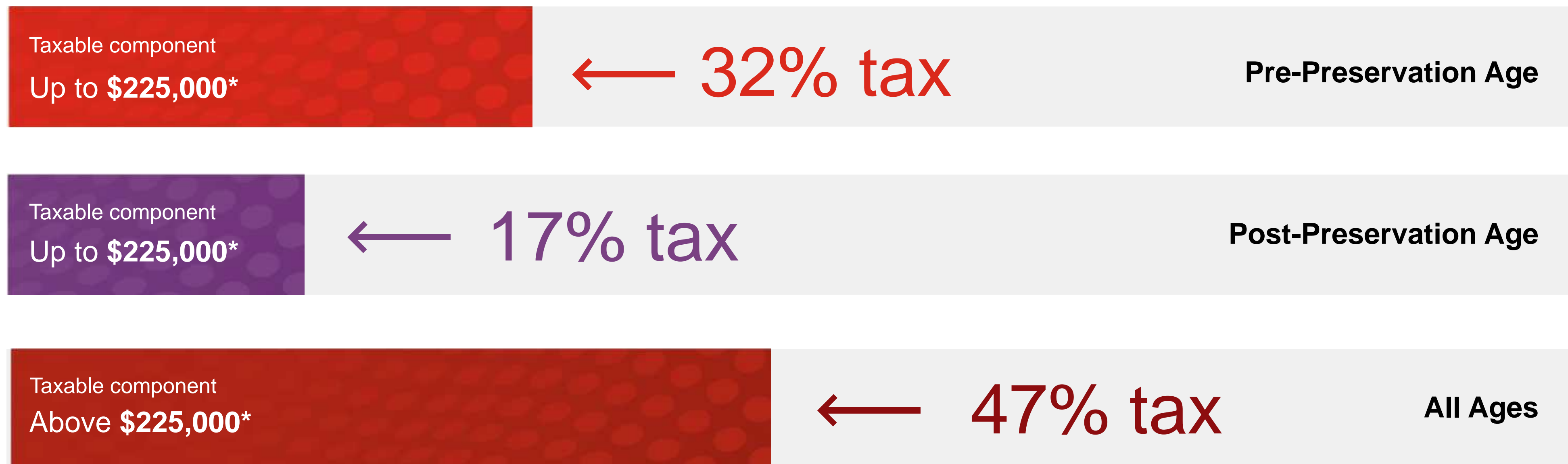


\* 2021/22 financial year.

<sup>^</sup> Not applicable if member qualifies for government Age Pension.

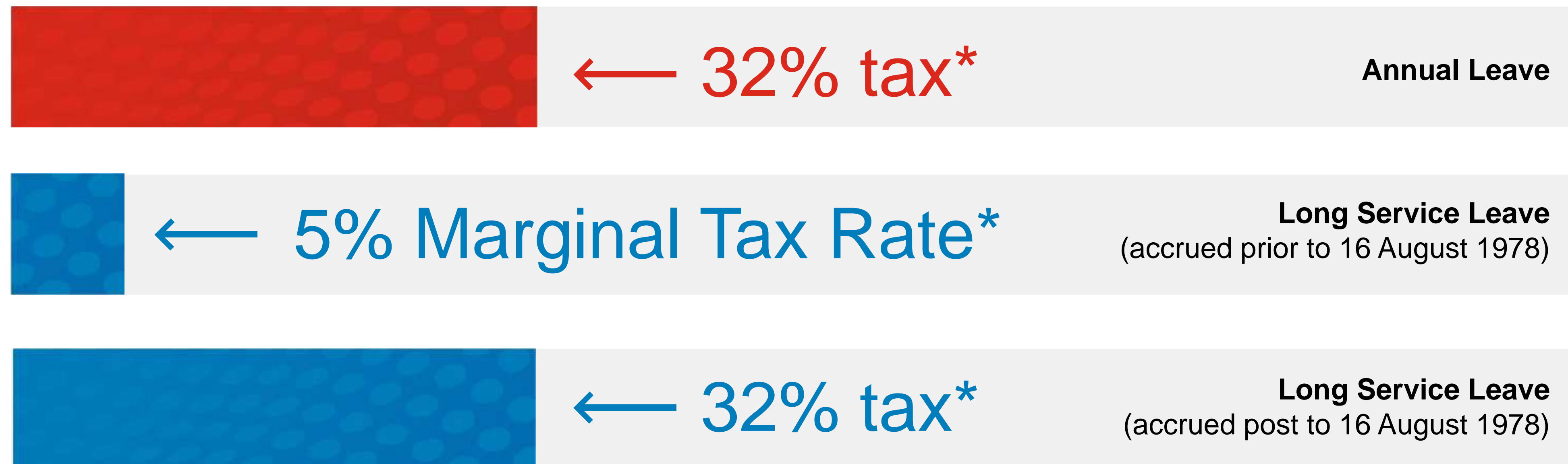
Source: [www.ato.gov.au/individuals/working/working-as-an-employee/leaving-your-job/redundancy-payments/](http://www.ato.gov.au/individuals/working/working-as-an-employee/leaving-your-job/redundancy-payments/)

# Employer Termination Payment (ETP)



\* 2021/22 financial year and inclusive of the Medicare Levy.  
The tax treatment of the Employer Termination Payment is based on a genuine redundancy payment.  
Source: [www.ato.gov.au/rates/key-superannuation-rates-and-thresholds/?page=18](http://www.ato.gov.au/rates/key-superannuation-rates-and-thresholds/?page=18)

# Annual and long service leave



\* 2021/22 financial year and inclusive of the Medicare Levy.  
The tax treatment of the Employer Termination Payment is based on a genuine redundancy payment.  
Source: [www.ato.gov.au/Rates/Schedule-7---Tax-table-for-unused-leave-payments-on-termination-of-employment/](http://www.ato.gov.au/Rates/Schedule-7---Tax-table-for-unused-leave-payments-on-termination-of-employment/)  
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## SUPERANNUATION





# Summary of contribution 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<sup>^</sup>**

### 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<sup>^#</sup>

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<sup>\*\*</sup>) to your 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.

<sup>^</sup> Subject to the \$1.7 million total superannuation balance cap as of the end of the previous financial year. Individuals with a total superannuation balance of \$1.48 million or more are not able to utilise the full bring forward rule.

<sup>#</sup> Must be under age 67 at the start of the financial year and meet other eligibility criteria.

<sup>\*\*</sup> 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](http://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](http://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-contributions---too-much-can-mean-extra-tax/?page=3)

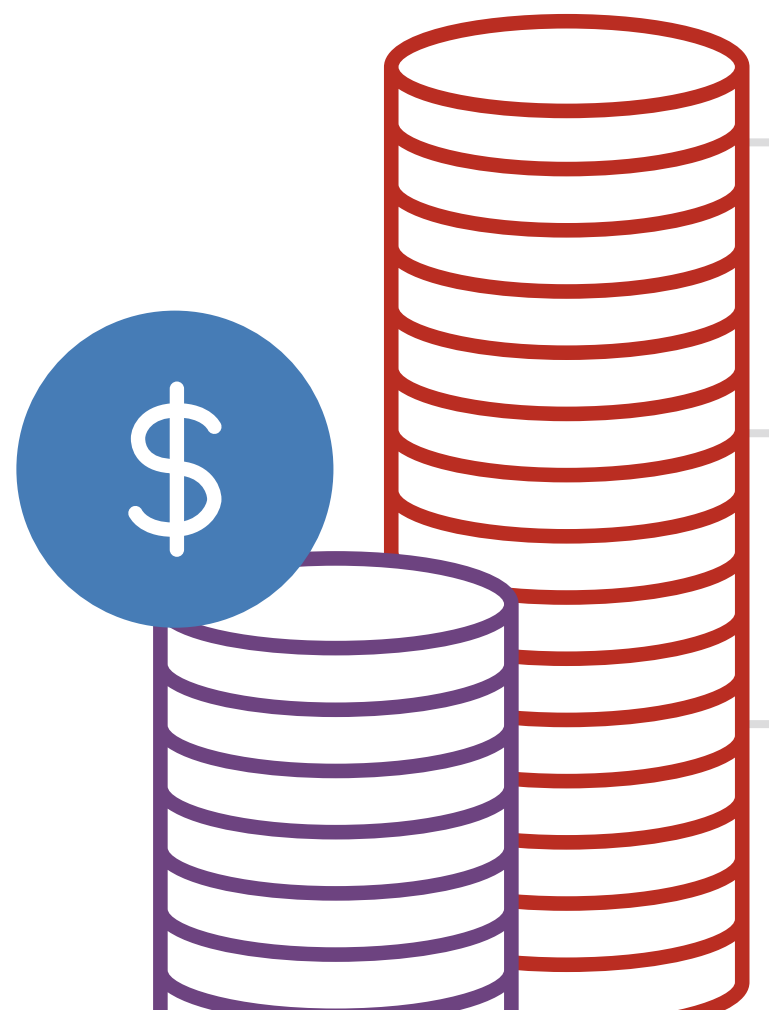
# 5-year rolling catch up

The first year you will be entitled to carry forward unused amounts is the 2019–20 financial year. Unused amounts are available for a maximum of five years, after which they will expire.

	Annual concessional contribution cap	Carried forward cap available at the start of the financial year	Pre-tax contributions made	Unused cap carried forward from end of financial year
<b>2019/20</b>	\$25,000	\$25,000	Nil	\$25,000
<b>2020/21</b>	\$25,000	\$50,000	\$10,000	\$40,000
<b>2021/22</b>	\$27,500	\$67,500	\$25,000	\$42,500

# Bring forward rule

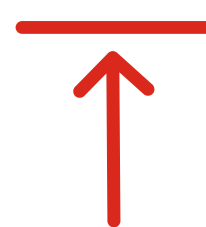
If your balance is close to \$1.7 million, you will only be able to make a contribution and bring forward the contribution caps from future years that take your total super balance to \$1.7 million.

	Total superannuation balance (as at 30 June last financial year)	Contribution and bring-forward available
	More than \$1.7m	Nil
	\$1.59 – \$1.7m	1 year of cap (\$110,000 x 1 = \$110,000)
	\$1.48 – \$1.59m	2 years of caps (\$110,000 x 2 = \$220,000)
	Less than \$1.48m	3 years of caps (\$110,000 x 3 = \$320,000)

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/Individuals/Super/In-detail/Growing-your-super/Super-contributions---too-much-can-mean-extra-tax/?page=12#:~:text=If%20you%20make%20contributions%20above,having%20to%20pay%20extra%20tax.](http://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-contributions---too-much-can-mean-extra-tax/?page=12#:~:text=If%20you%20make%20contributions%20above,having%20to%20pay%20extra%20tax.)

# Summary of contribution caps



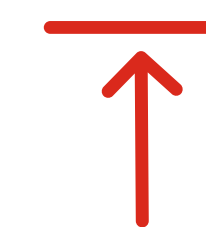
## Total super balance

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.

**\*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](http://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/](http://www.ato.gov.au/individuals/super/withdrawing-and-using-your-super/transfer-balance-cap/)

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SUPERANNUATION

# Example



John retires at age 62 on 1 July 2021 with a total super balance of \$2 million. He is able to commence a retirement income stream with up to \$1.7 million as he has not previously commenced an income stream. John can leave the remaining \$300,000 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 to your TelstraSuper account. 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 **online**.

# When can I access my super?



	Lump sum	Income stream
<b>Access</b>	Working	✗
	Retired	✓
	Age 65	✓
<b>Tax</b>	Aged 57 – 59	The first <b>\$225,000 is tax free</b> and <b>17%*</b> for any amount above the low rate cap
	Aged 60+	<b>Tax-free</b>
		Income payments from a retirement income stream are <b>taxable#</b>
		<b>Tax-free</b>

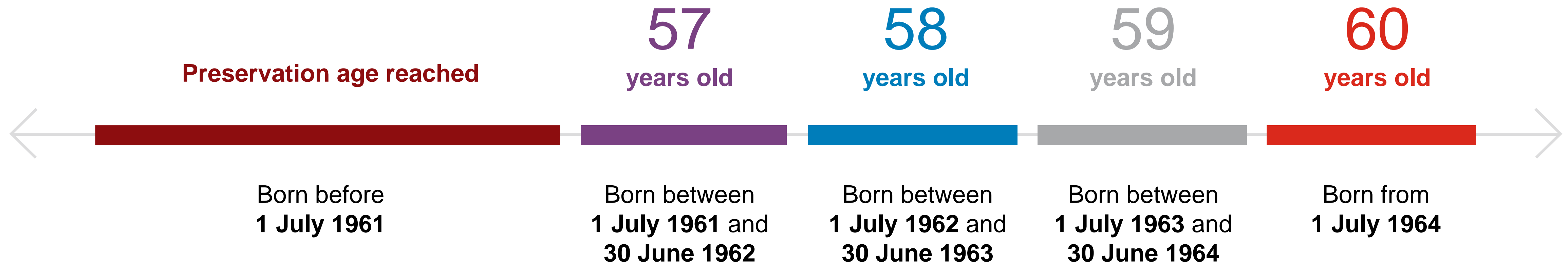
\* Based on 2021/22 financial year including Medicare Levy.

# Taxed at marginal tax rates – tax offset of 15% is available.

Source: [www.ato.gov.au/Individuals/Super/In-detail/Withdrawing-and-using-your-super/Withdrawing-your-super-and-paying-tax/?page=4#If\\_you\\_are\\_between\\_your\\_preservation\\_age\\_and\\_60\\_\\_160\\_years\\_old](http://www.ato.gov.au/Individuals/Super/In-detail/Withdrawing-and-using-your-super/Withdrawing-your-super-and-paying-tax/?page=4#If_you_are_between_your_preservation_age_and_60__160_years_old)

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# When can I access my super?





**YOUR  
TELSTRASUPER  
FUND**





# Automatic transfer to Personal Plus



## TelstraSuper Defined Benefit

- Benefit calculated on final day of employment with your employer
- Transfer automatically\* to TelstraSuper Personal Plus
- DB invested in cash option for the first 90 days then either according to default MySuper lifecycle investment option or as per your nominated investment option
- Voluntary Accumulation Account (VAA) investment option stays unchanged

## TelstraSuper Corporate Plus

- Transfer automatically\* to TelstraSuper Personal Plus
- Investment option stays unchanged

Once the transfer to Personal Plus is finalised, you will receive correspondence in the mail from TelstraSuper confirming the details of your Personal Plus account and transfer.

\* Automatic transfer to Personal Plus will occur following receipt of your final contribution from your Telstra Group employer. This transfer process may take up to 4–5 weeks.

# Transfer of insurance to Personal Plus



## TelstraSuper Defined Benefit

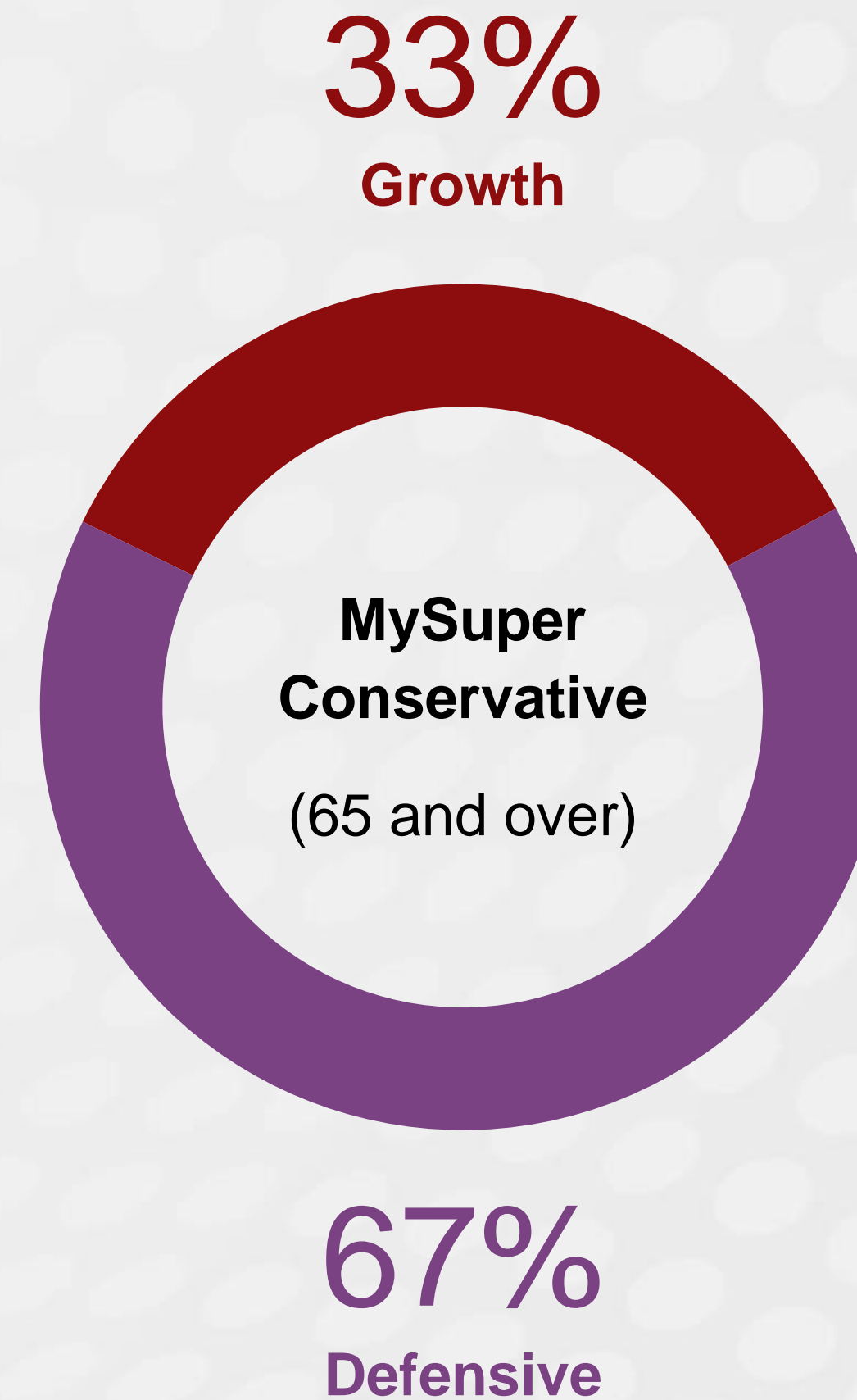
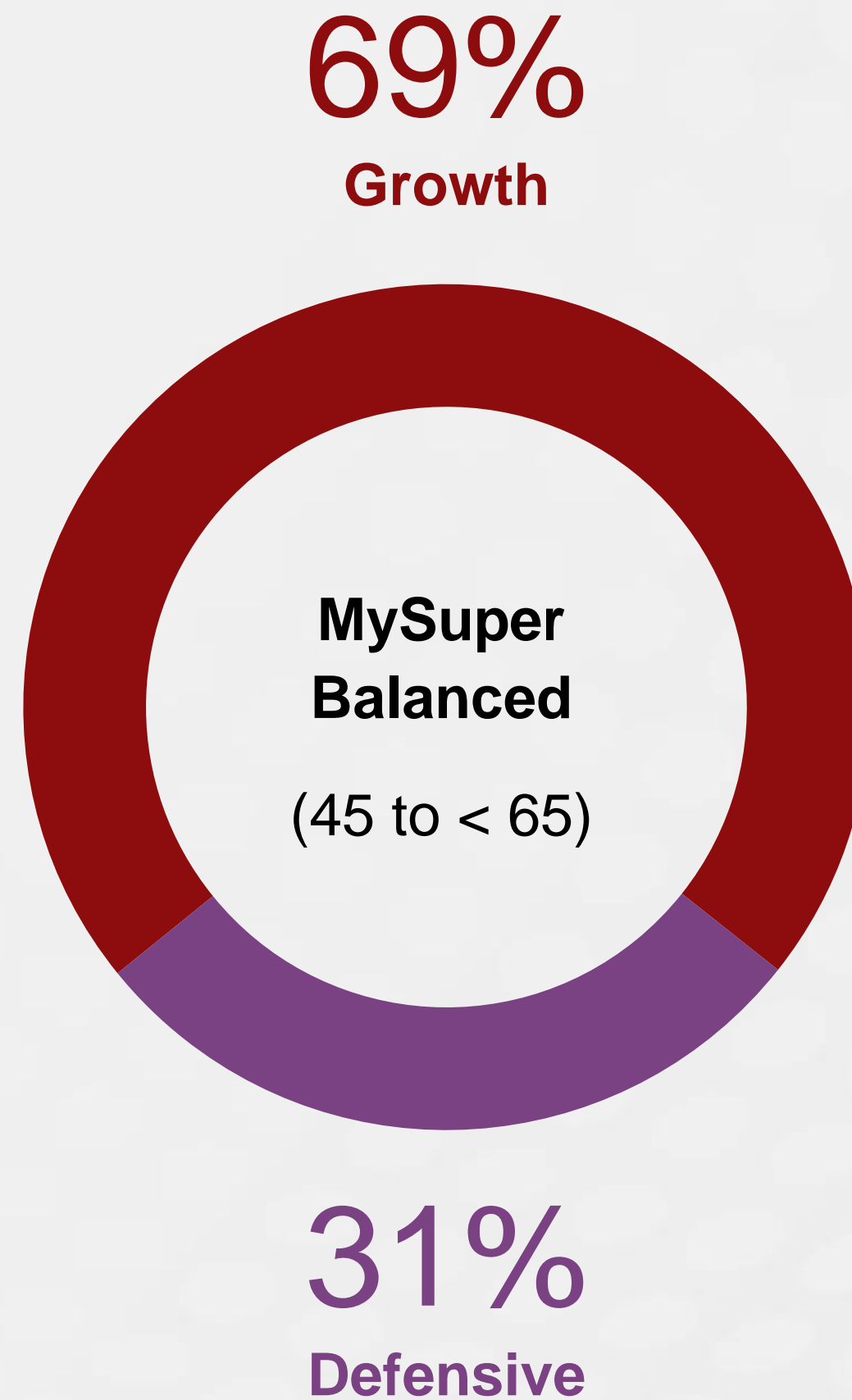
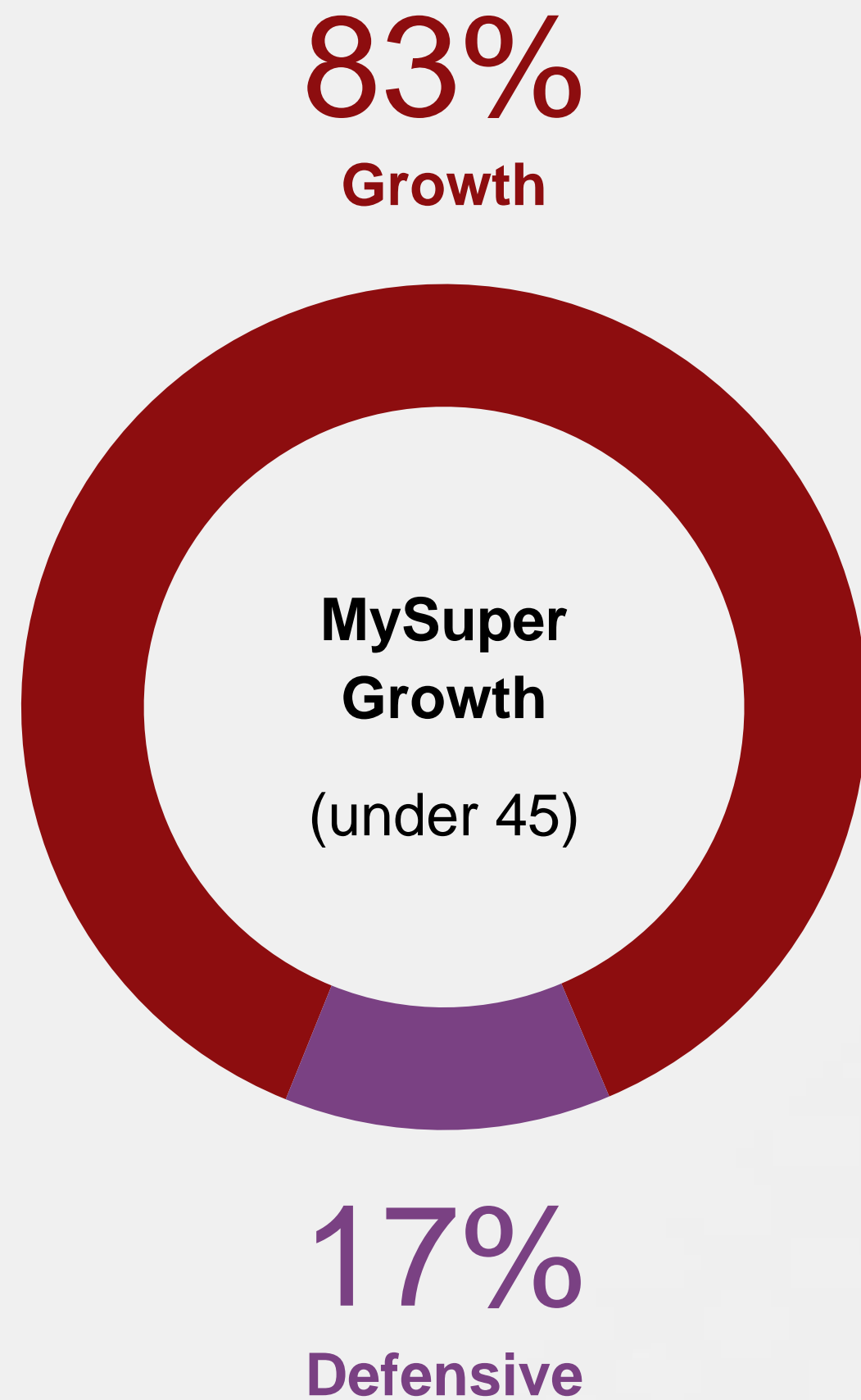
- **If under age 60:**
  - Default death and total & permanent disablement (TPD) cover will be transferred
  - Voluntary death and TPD cover will be transferred
- **If aged 60 and over:**
  - Voluntary death and TPD cover will be transferred
- **If you do not hold Income Protection (IP) it can be applied for if you are employed.**

## TelstraSuper Corporate Plus

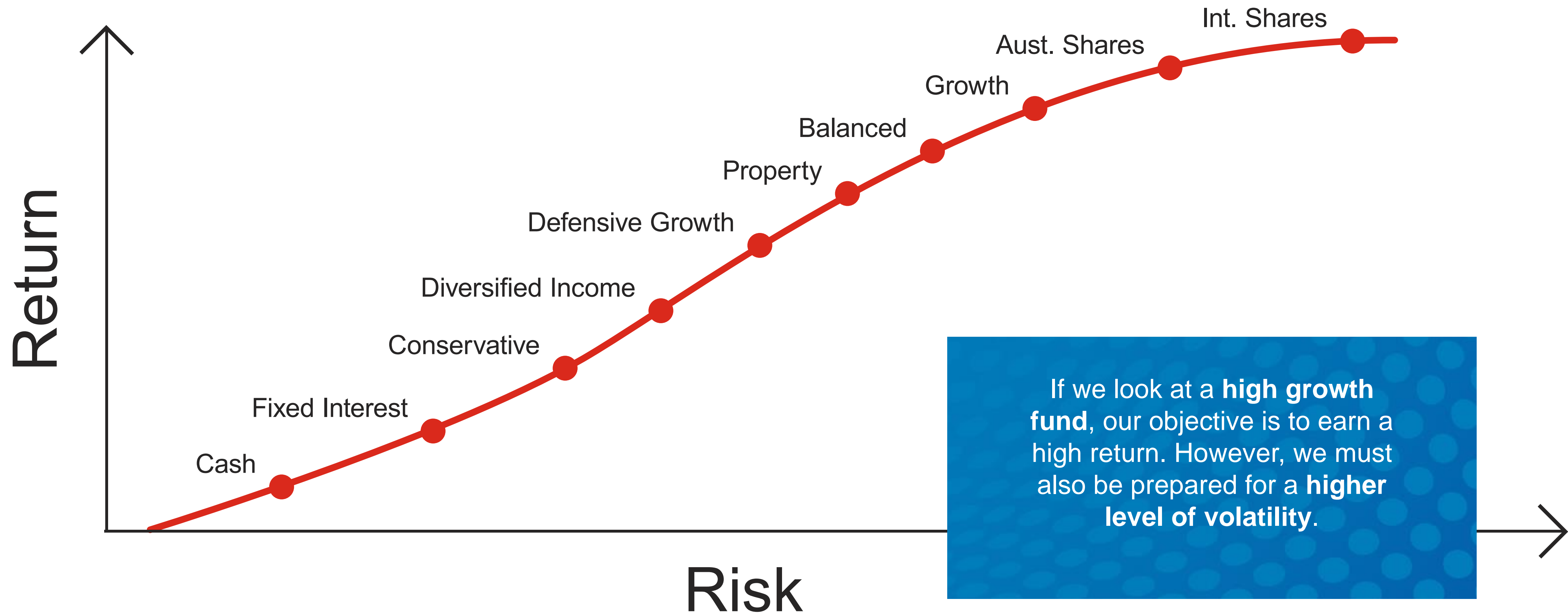
- **Default death and TPD cover will be transferred**
- **Voluntary death and TPD cover will be transferred**
- **Income Protection (IP) also transferred to Personal Plus for 120 days. To retain IP we require:**
  - “continuing income protection” form,
  - confirmation of salary and occupation; and
  - SG contributions from your new employer within 180 days

When insurance cover is transferred to Personal Plus, all insurance premiums will be deducted from your superannuation account (member paid).

# Understanding MySuper

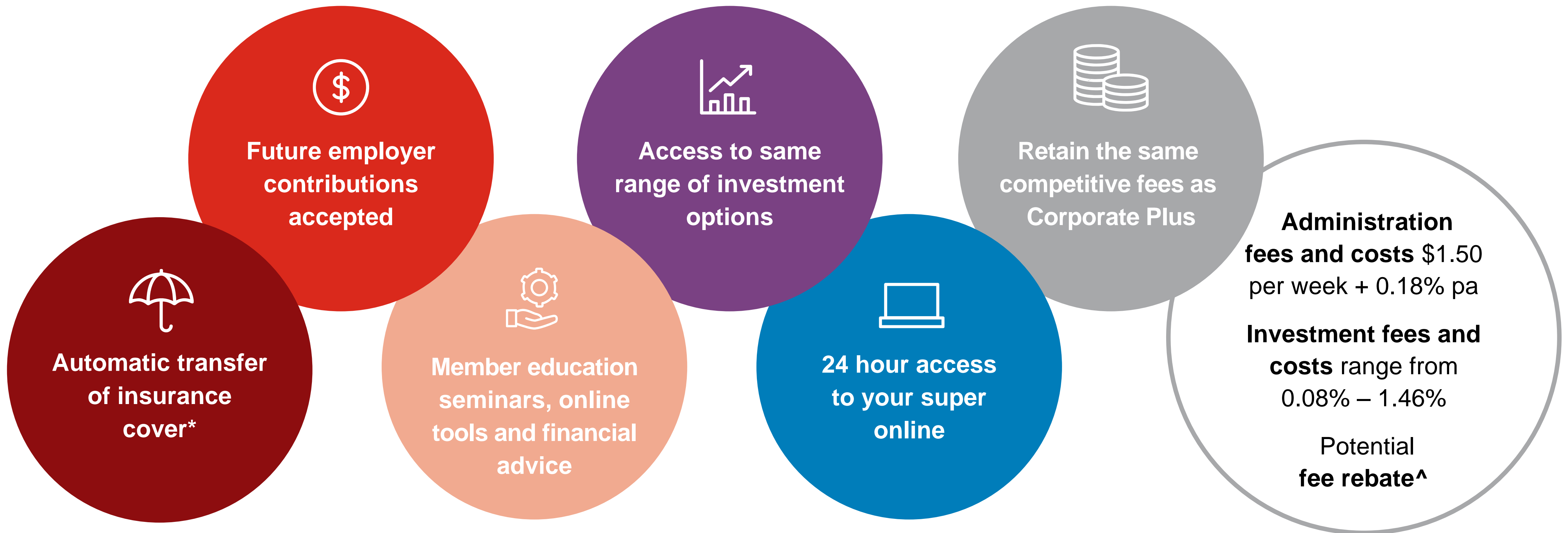


# Investment choice



YOUR TELSTRASUPER FUND

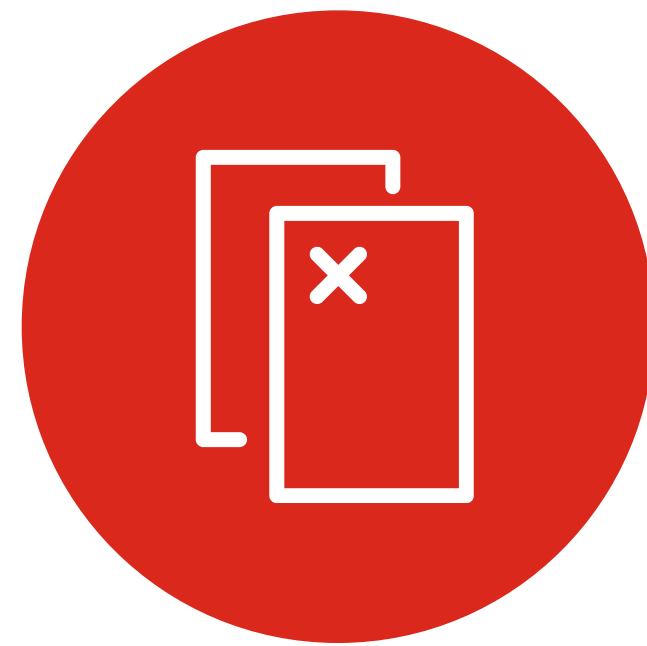
# TelstraSuper Personal Plus



\* Your Death and TPD insurance cover through your TelstraSuper Corporate Plus account will be retained under your new TelstraSuper Personal Plus arrangement, however new premium rates will apply. Your income protection cover can be retained subject to you meeting the 'at work' requirements and other eligibility criteria at [www.telstrasuper.com.au/products-and-services/insurance/income-protection](http://www.telstrasuper.com.au/products-and-services/insurance/income-protection).

<sup>^</sup> If you have an account balance of over \$1M, or you and your spouse with whom you're presently living, have combined TelstraSuper Personal Plus, TelstraSuper Corporate Plus and/or TelstraSuper RetireAccess account balances that exceed \$956,700, you may claim an administration fee rebate.

# Future employer contributions



## Step 1

Fill in the 'Super Choice Form' with your details.



## Step 2

'Chosen fund' details are pre-filled, so just add your Member Number (your employee number).



## Step 3

Sign and date the form then give to your new employer.



**CENTRELINK**



CENTRELINK

# Information



Please note: This presentation will not cover all Centrelink income support payments you may be entitled to receive.

It is recommended you contact Centrelink Services Australia directly to confirm your eligibility to receive any income support payments.



For further information, contact the **Centrelink Services Australia Financial Information Service** on 132 300.



# Income support payments

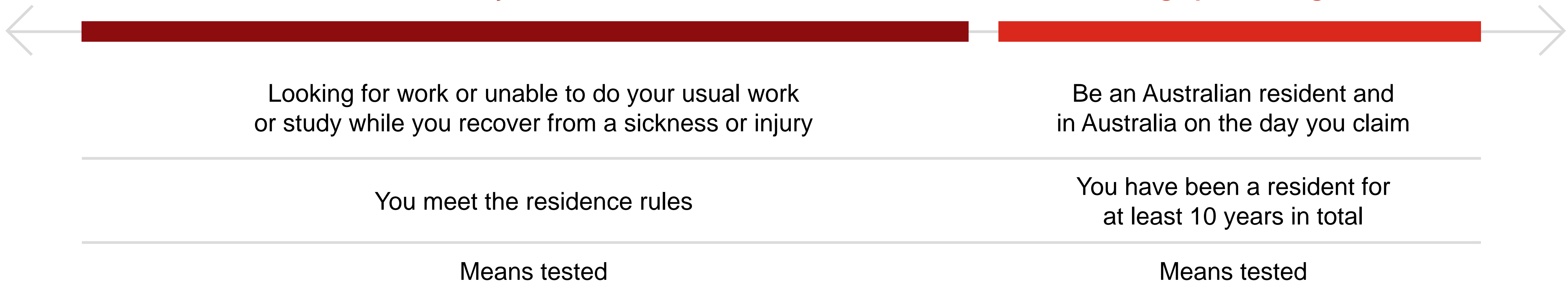


## JobSeeker Payment\*

22+ years old

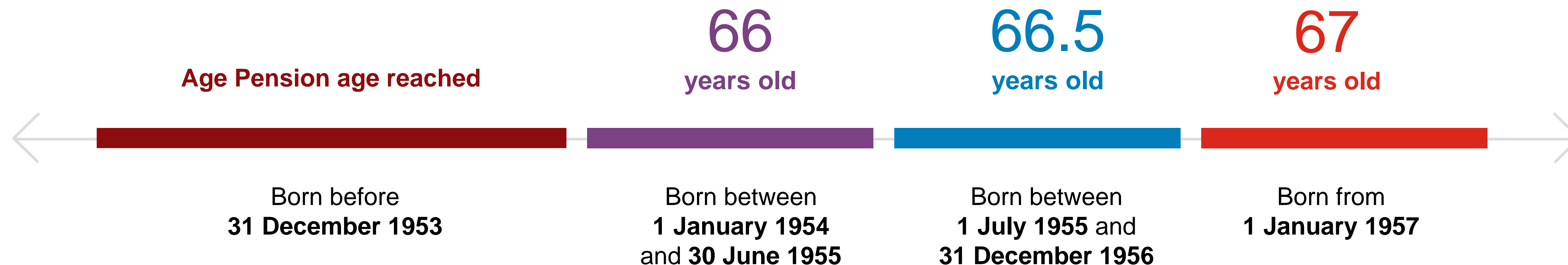
## Age Pension

Age pension age



\*Newstart Allowance stopped on 20 March 2020. JobSeeker Payment is the main income support payment if you're between 22 and Age Pension age.  
Source: [www.servicesaustralia.gov.au/individuals/services/centrelink/age-pension/who-can-get-it](http://www.servicesaustralia.gov.au/individuals/services/centrelink/age-pension/who-can-get-it) | [www.servicesaustralia.gov.au/individuals/services/centrelink/jobseeker-payment/who-can-get-it](http://www.servicesaustralia.gov.au/individuals/services/centrelink/jobseeker-payment/who-can-get-it)

# When can I access the age pension?



The Age Pension age has increased from 65 to 67 years. It will increase by 6 months every 2 years until the Age Pension age is 67 on 1 July 2023.



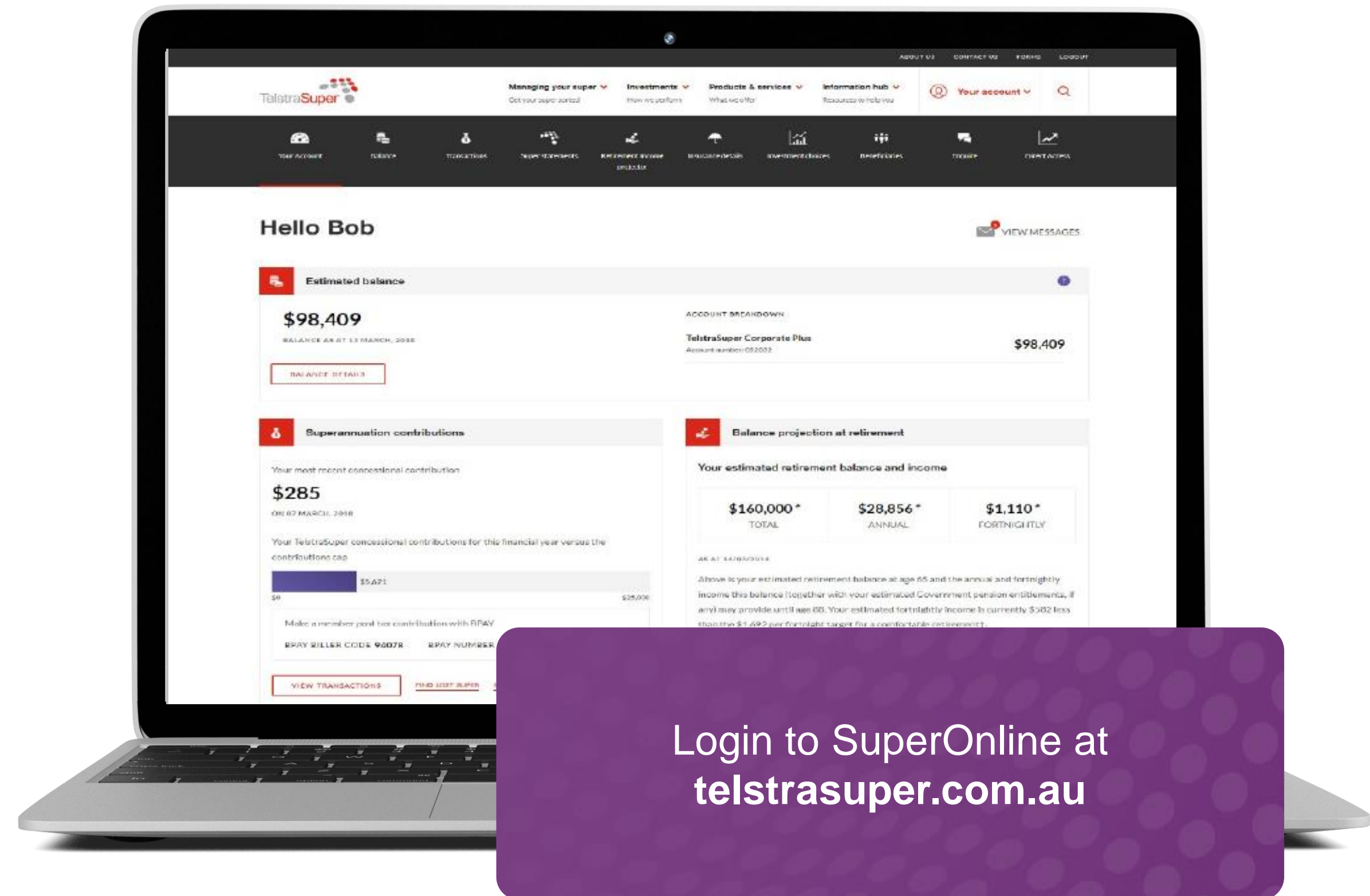
## HOW TELSTRASUPER CAN ASSIST



# SuperOnline



- ✓ Update your email address and personal details
- ✓ Check your account balance
- ✓ Review your insurance cover
- ✓ View your nominated beneficiaries
- ✓ Make a non-binding nomination
- ✓ Review your investment options
- ✓ Pre-tax contributions against the concessional contributions cap
- ✓ Benefit statements
- ✓ Latest contributions

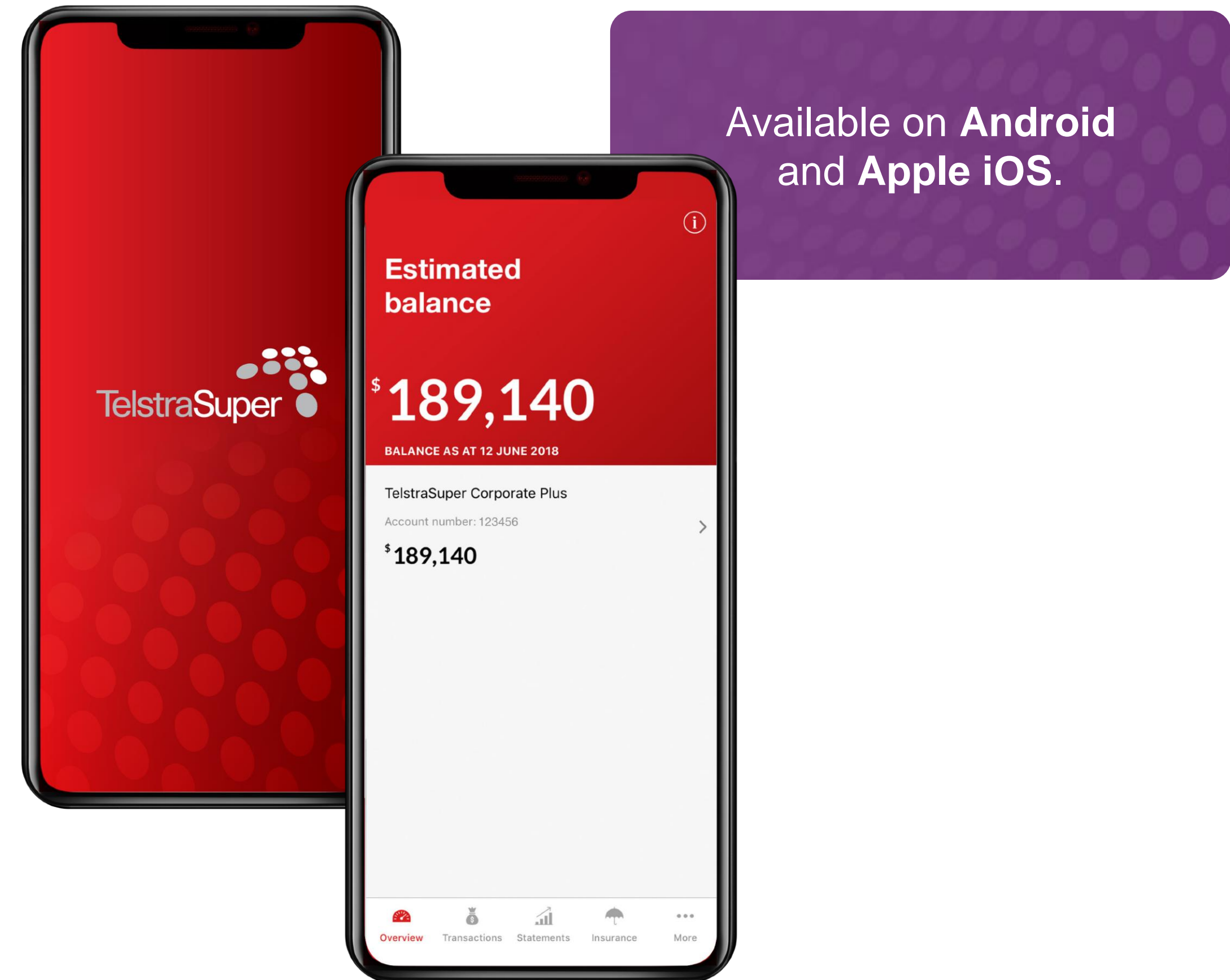


HOW TELSTRASUPER CAN ASSIST

# TelstraSuper app



- ✓ Estimated account balance
- ✓ Investment options, allocation of units and investment returns
- ✓ Latest contributions
- ✓ Pre-tax contributions against the concessional contributions cap
- ✓ Benefit statements
- ✓ Insurance cover
- ✓ Transactions
- ✓ Digital Member Card
- ✓ Contact TelstraSuper



# 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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# Four 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.**

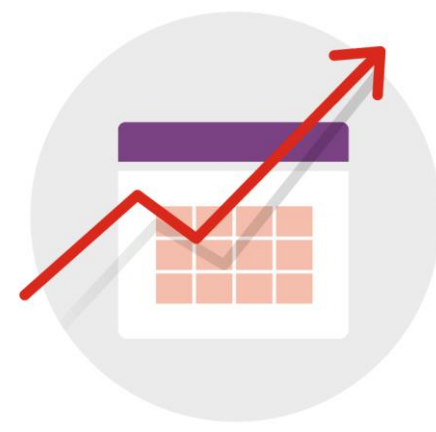
[telstrasuper.com.au/refer](https://telstrasuper.com.au/refer)



**Competitive fees**



**Profits back to you**



**Strong long-term performance**



**Simple advice on you super**



**When we win, you win!**



**Responsible investors**



# Happy to answer your questions.



**1300 033 166**

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



**[talkingsense@telstrasuper.com.au](mailto:talkingsense@telstrasuper.com.au)**



**[telstrasuper.com.au](https://telstrasuper.com.au)**



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As a current TelstraSuper member, you are able to refer friends and family members to join TelstraSuper.**

This presentation contains factual information and general advice only. It has been prepared without taking into account your objectives, financial situation and needs. Before you act on any information or make any financial decision, you should consider whether it is appropriate having regard to your personal circumstances. If you are considering acquiring a financial product you should obtain the relevant product disclosure statement (PDS) before making any decision. You may wish to consult an Adviser before you make any decisions relating to your financial affairs. To speak with an Adviser from TelstraSuper Financial Planning, call 1300 033 166. The taxation information in the presentation is factual information only. If you require taxation advice you should consult your accountant or tax adviser.