

# Life's complicated. Get financial advice that's simple.

**Financial Planning Week**  
**4 – 6 October**

Thank you for joining us.  
We will commence shortly

Telstra Super Pty Ltd ABN 86 007 422 522, AFSL 236709 (Trustee) is the trustee of the Telstra Superannuation Scheme ABN 85 502 108 833 (TelstraSuper)

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# Did you know retirees can now boost their super until age 75?





# Meet the speakers



**Matthew Debono**  
Member Education  
Consultant

TelstraSuper Pty Ltd  
AFSL 236709



**Nigel Leverett**  
Regional Manager  
NSW and QLD  
TelstraSuper Financial  
Planning Pty Ltd  
AFSL 218705



**Caroline Rees**  
Financial Adviser  
TelstraSuper Financial  
Planning Pty Ltd  
AFSL 218705

## 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

# AGENDA



- **History of changes to the ‘work test’, contribution and personal balance caps, different contribution opportunities**
- **Nomination of Beneficiary**
- **Financial Planning case study – re-contribution strategy**
- **Next steps**
- **How TelstraSuper can assist**
- **Questions**



**CHANGES EFFECTIVE  
1 JULY 2022**





# Removal of the work test

- **Prior to 1 July 2018**, individuals aged between 65 and 74 had to meet the 'work test' to be able to make or receive non-concessional contributions into super.
- **From 1 July 2020**, the age was extended meaning individuals aged between 67 and 74 were required to meet the 'work test' before being able to make or receive non-concessional contributions to super.
- **From 1 July 2022**, the 'work test' requirement has been removed allowing individuals under age 75 to make or receive non-concessional contributions. However, individuals will still need to meet the 'work test' to be able to make personal deductible 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.

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



# 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.

\* From 1 July 2022, the work test has been removed. 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 \$1.7 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 75 on 1 July 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](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/](http://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-contributions---too-much-can-mean-extra-tax/)



# What is a personal deductible contribution?

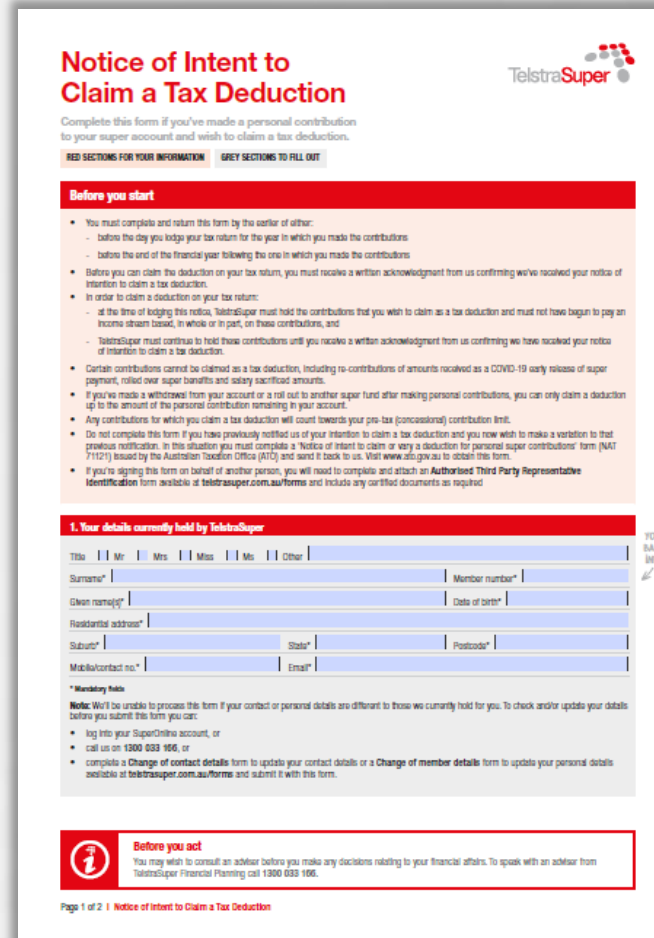
Personal deductible contributions are personal (non-concessional) contributions you make to a super fund. If you make personal super contributions to your fund, you may be able to claim a tax deduction. This could reduce your net taxable income and therefore the amount of tax you need to pay.

- Step 1:** Contributions must be received by your fund on or before 30 June of the financial year in which you wish to claim a deduction. Any contribution received after 30 June may be claimed in the next financial year. We suggest you do not leave it to last minute.
- Step 2:** Notify your super fund of your intention to claim a tax deduction by submitting the notice of intent to claim a tax deduction
- Step 3:** Receive correspondence from your super fund confirming they have received a valid notice
- Step 4:** Lodge your tax return and include the amount contributed that you wish to claim as a tax deduction

# How to claim a tax deduction for personal contributions

Complete this form if you have made a personal contribution to your super and wish to claim a tax deduction.

Available via  
[www.telstrasuper.com.au/information-hub/find-a-form](http://www.telstrasuper.com.au/information-hub/find-a-form)



**Notice of Intent to Claim a Tax Deduction**

Complete this form if you've made a personal contribution to your super account and wish to claim a tax deduction.

**RED SECTIONS FOR YOUR INFORMATION**   **GREY SECTIONS TO FILL OUT**

### 1. Your details currently held by TelstraSuper

**YOUR BASIC INFO**

Title  Mr  Mrs  Miss  Ms  Other

Surname\*  Member number\*

Given name(s)\*  Date of birth\*

Residential address\*

Suburb\*  State\*  Postcode\*

Mob/contract no.\*  Email\*

**\*Mandatory fields**

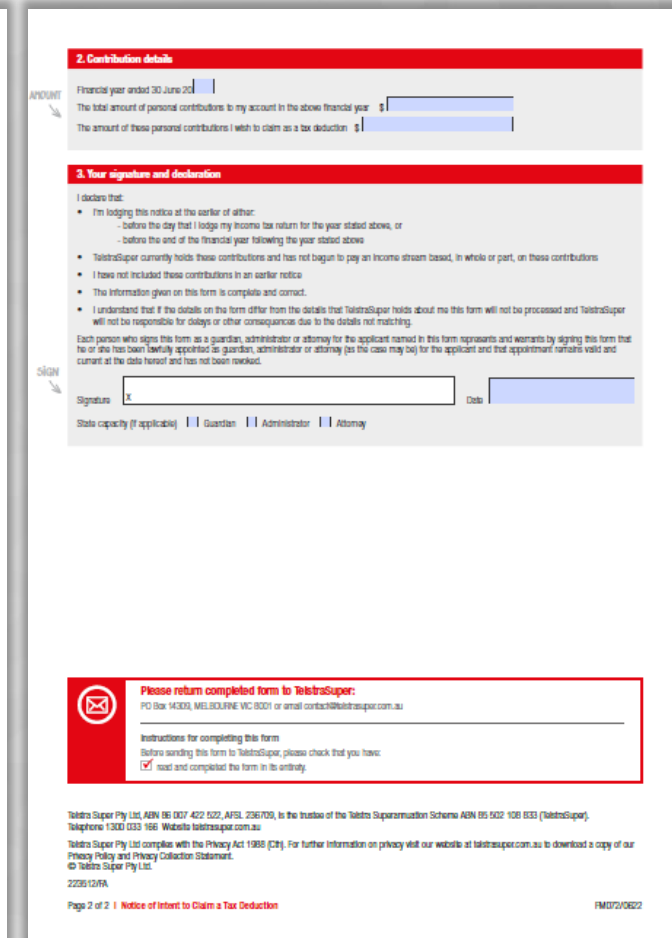
**Note:** We'll be unable to process this form if your contact or personal details are different to those we currently hold for you. To check and/or update your details before you submit this form you can:

- log into your SuperOnline account, or
- call us on 1300 033 166, or
- complete a **Change of contact details** form to update your contact details or a **Change of member details** form to update your personal details available at [telstrasuper.com.au/forms](http://telstrasuper.com.au/forms) and submit it with this form.

**Before you act**

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.

Page 1 of 2 | Notice of Intent to Claim a Tax Deduction



### 2. Contribution details

Financial year ended 30 June 2021

The total amount of personal contributions to my account in the above financial year \$

The amount of these personal contributions I wish to claim as a tax deduction \$

### 3. Your signature and declaration

I declare that:

- I'm lodging this notice of intent to claim a tax deduction before the day that I lodge my income tax return for the year stated above, or before the end of the financial year following the year stated above
- TelstraSuper currently holds these contributions and has not begun to pay an income stream based, in whole or in part, on these contributions
- I have not included these contributions in an earlier notice
- The information given on this form is complete and correct.
- I understand that if the details on this form differ from the details that TelstraSuper holds about me this form will not be processed and TelstraSuper will not be responsible for delays or other consequences due to the details not matching.

Each person who signs this form as a guardian, administrator or attorney for the applicant named in this form represents and warrants by signing this form that he or she has been lawfully appointed as guardian, administrator or attorney (as the case may be) for the applicant and that appointment remains valid and current at the date hereof and has not been revoked.

Signature  Date

State capacity (if applicable)  Guardian  Administrator  Attorney

**Please return completed form to TelstraSuper:**

PO Box 14300, MELBOURNE VIC 3001 or email [contact@telstrasuper.com.au](mailto:contact@telstrasuper.com.au)

**Instructions for completing this form**

Before sending this form to TelstraSuper, please check that you have:

- read and completed the form in its entirety.

Telstra Super Pty Ltd, ABN 66 007 422 522, AFSL 236709, is the trustee of the Telstra Superannuation Scheme ABN 66 502 108 833 (TelstraSuper), Telephone 1300 033 166 Website [telstrasuper.com.au](http://telstrasuper.com.au)

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CHANGES EFFECTIVE 1 JULY 2022

# Downsizer contributions - changed to age 60



**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 **60 and over from 1 July 2022** 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 [www.ato.gov.au/individuals/super/growing-your-super/adding-to-your-super/downsizing-contributions-into-superannuation](https://www.ato.gov.au/individuals/super/growing-your-super/adding-to-your-super/downsizing-contributions-into-superannuation) for full eligibility on downsizer contributions.



# Making contributions and important caps

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

**Bring forward rule<sup>^</sup>#**

If your total super balance is less than \$1.7 million individuals aged under 75 may be able to make up to three years' worth of post-tax contributions (up to \$330,000<sup>\*\*</sup>) to their super in a single year.

\* From 1 July 2022, the work test has been removed. 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.

<sup>^</sup> 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.

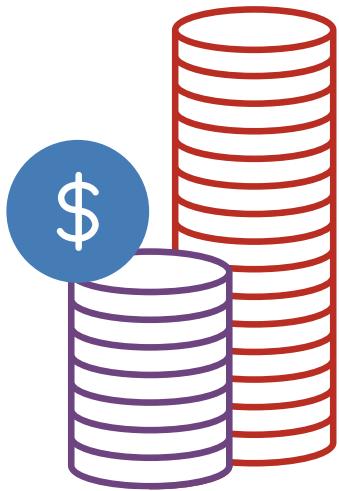
# Must be under age 75 on 1 July and meet other eligibility criteria.

<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/](http://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-contributions---too-much-can-mean-extra-tax/)

# Bring forward rule

If you're under age 75 **at any time in a financial year** you may now be eligible to make a contribution of up to three times the annual general non-concessional cap in that financial year. Under the bring forward arrangement its important to note both your age and total super balance need to be considered for eligibility.



Your Total Super Balance (as at June 30 the previous financial year)	Non Concessional Contribution
Less than \$1.48m	3 years of caps (\$110,000 X 3 = \$330,000) 3 years bring forward period
\$1.48m to less than \$1.59m	2 years of caps (\$110,000 X 2 = \$220,000) 2 years bring forward period
\$1.59m to less than \$1.7m	1 years of caps (\$110,000 X 1 = \$110,000) 1 years bring forward period
\$1.7 million or more	Nil

**Please note**, 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. The contribution must be received on or before the day that is 28 days from the end of the month in which the member attains age 75. An individual must be 74 or under at some time during the financial year to be eligible to trigger the bring-forward rule.

# 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<sup>^</sup>**

### 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 \$1.7 million<sup>^</sup>. 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. 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)

<sup>^</sup>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.



# Prior to 1 July 2022

**Prior to 1 July 2022 individuals aged 67 and over who did not meet the work test were unable to contribute into super.**

Those who did not meet the work test for contributing into super may have considered investing in,

- ❖ **Term Deposits**
- ❖ **Share portfolios**
- ❖ **Managed funds**
- ❖ **Investment Properties**



It is important to note that investing outside of super may not be the most appropriate solution for you. Term deposit rates are low due to low interest rates. Capital gains tax may be payable on shares and investment properties. You should seek independent advice relevant to your personal circumstances before making financial decisions.



## FINANCIAL PLANNING CASE STUDY



FINANCIAL PLANNING CASE STUDY

# Retirement income stream holders considerations for Estate Planning





# Retirement income stream holders considerations for Estate Planning

Client A	
TelstraSuper account	\$1,000,000
Tax Free	\$100,000
Taxable	\$900,000

Partner B	
External super fund	\$200,000
Tax Free	\$200,000

# Retirement income stream holders considerations for Estate Planning

Client A	
TelstraSuper account	\$1,000,000
Tax Free	\$100,000
Taxable	\$900,000

Partner B	
External super fund	\$200,000
Tax Free	\$200,000

## On death of Client A:

- If Partner B is the beneficiary – the benefit can be paid as a tax free lump sum\*
- If the beneficiary is **NOT** Partner B (i.e. non dependent adult children), tax on the benefit will be calculated on the taxable component and deducted before the benefit is paid.

### Calculation of tax at 15% + 2% Medicare

**In this example**  
 $\$900,000 \times 17\% = \$153,000$ ,  
**so the payment would be \$847,000**

\* Death benefit can also be paid as an income stream. Tax may apply if the age of deceased and age of recipient are both under 60. The recipient's total super balance and transfer cap balance may also be impacted. Please seek further financial advice in relation to this.

# Options to restructure under the new rules to age 75

## Client A:

Withdraw the appropriate amount(s) over time from **Client A** – based on the contribution caps, personal caps and age - \$330,000

The withdrawal is taken proportionately from both the tax free and taxable components. In this example = 10% / 90%

When recontributed, the amount is classified as tax free component

Recontribute the full amount back to **Client A**

### Client A

TelstraSuper account	\$1,000,000
Tax Free	\$100,000
Taxable	\$900,000

**Please note, withdrawal and contribution criteria applies**

# Options to restructure under the new rules to age 75

## Client A:

Withdraw the appropriate amount(s) over time from **Client A** – based on the contribution caps, personal caps and age - \$330,000

The withdrawal is taken proportionately from both the tax free and taxable components. In this example = 10% / 90%

When recontributed, the amount is classified as tax free component

Recontribute the full amount back to **Partner A**

Client A	
TelstraSuper account	\$1,000,000
Tax Free	\$100,000
Taxable	\$900,000

Client A	
TelstraSuper account	\$670,000
Tax Free	\$67,000
Taxable	\$603,000

Client A	
TelstraSuper account	\$1,000,000
Tax Free	\$397,000
Taxable	\$603,000

**Please note, withdrawal and contribution criteria applies**



# Options to restructure under the new rules to age 75

## Client A:

Withdraw the appropriate amount(s) over time from **Client A** – based on the contribution caps, personal caps and age - \$330,000

The withdrawal is taken proportionately from both the tax free and taxable components. In this example = 10% / 90%

When recontributed, the amount is classified as tax free component

Recontribute the full amount back to **Client A**

## Benefit: Client A

- Taxable component is reduced from \$900,000 to \$603,000
- Potential tax payable on death is reduced from \$153,000 to \$102,510
- Potential difference of up to \$50,490
- Amount on death goes from \$847,000 to \$897,490

**Please note, withdrawal and contribution criteria applies**

Client A	
TelstraSuper account	\$1,000,000
Tax Free	\$100,000
Taxable	\$900,000

Client A	
TelstraSuper account	\$1,000,000
Tax Free	\$397,000
Taxable	\$603,000

# Options to restructure under the new rules to age 75 – as a couple

Client A	
TelstraSuper account	\$1,000,000
Tax Free	\$100,000
Taxable	\$900,000

Partner	
TelstraSuper account	\$200,000
Tax Free	\$200,000

Client A (after Withdrawal)	
TelstraSuper account	\$340,000
Tax Free	\$34,000
Taxable	\$306,000

## Client A:

Withdraw the appropriate amount(s) from **Client A** – based on the contribution caps, personal caps and age - \$660,000

The withdrawal is taken proportionately from both the tax free and taxable components. In this example = 10% / 90%

When recontributed, the amount is classified as tax free component

Recontribute 50% back to **Client A**

Recontribute 50% to **Partner**

## Benefit: Client A

- Taxable component is reduced from \$900,000 to \$306,000
- Potential tax payable on death is reduced from \$153,000 to \$52,020
- Potential difference of up to \$100,980

Client A	
TelstraSuper account	\$670,000
Tax Free	\$364,000
Taxable	\$306,000

Partner	
TelstraSuper account or External account	\$530,000
Tax Free	\$530,000

**Please note, withdrawal and contribution criteria applies.**

Disclaimer: Please do not try this strategy on your own and we strongly suggest you seek professional advice before implementing contribution strategies

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# Options to restructure under the new rules

## Considerations:

- ✓ The withdrawal from your super fund must be paid to your nominated bank account
- ✓ You have to make the contribution back into the Fund (BPAY is available). Note, your funds will be 'out of the market' for those days!
- ✓ During this period, this could be negative if the market goes up over those days, or positive if it goes down!
- ✓ It is important to be aware of the above point and to make the contribution as quickly as possible
- ✓ Do not exceed the Contribution Caps, or your personal Caps – funds maybe need to be released from super and/or additional tax may be payable
- ✓ It's a complex strategy - TelstraSuper Financial Planning can advise you



## NOMINATION OF BENEFICIARY





# Who can receive your death benefit?

Your eligible dependents are:



## Binding nomination

A valid binding death benefit nomination gives you certainty about who will receive your benefit in the event of your death and means TelstraSuper must pay your death benefit to the beneficiaries nominated in the proportion set out in the nomination. To be valid and in effect, the binding nomination must meet all the superannuation law requirements.

## Non-Binding nomination

A non-binding nomination is not binding on the Trustee of TelstraSuper. The Trustee will take your nomination into consideration when determining to whom to pay your death benefit.

\* Legal personal representative is the person nominated by you to be the executor of your Will or appointed to distribute your assets according to the laws of the relevant State or Territory.

# Reversionary beneficiary nomination

## **(TelstraSuper RetireAccess members only)**

A reversionary beneficiary nomination can only be made at the commencement of a TelstraSuper RetireAccess account and you may only nominate a single reversionary beneficiary who must be an eligible dependant at the date of your death.

If you nominate an eligible reversionary beneficiary, TelstraSuper is required by law to pay them the remaining balance of your TelstraSuper RetireAccess account as an income stream, in the event of your death. That is, your pension payments will continue to be paid to your nominated beneficiary.

Before making the decision to nominate, update or remove a reversionary beneficiary, you may want to consider seeking financial advice, as there may be Centrelink or Department of Veterans Affairs implications.



Source: [www.telstrasuper.com.au/managing-your-super/first-steps/nominate-a-beneficiary](http://www.telstrasuper.com.au/managing-your-super/first-steps/nominate-a-beneficiary)

# Four financial advice services to empower you



## **SUPER** *sorter*

Simple phone advice and info to max your super.

**No additional cost to members**



## **STEP** *it up*

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

**Low cost options**



## **BIG** *picture it*

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

**One off fee for service**



## **STAY** *on track*

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

**Annual fee for service**



## HOW TELSTRASUPER CAN ASSIST

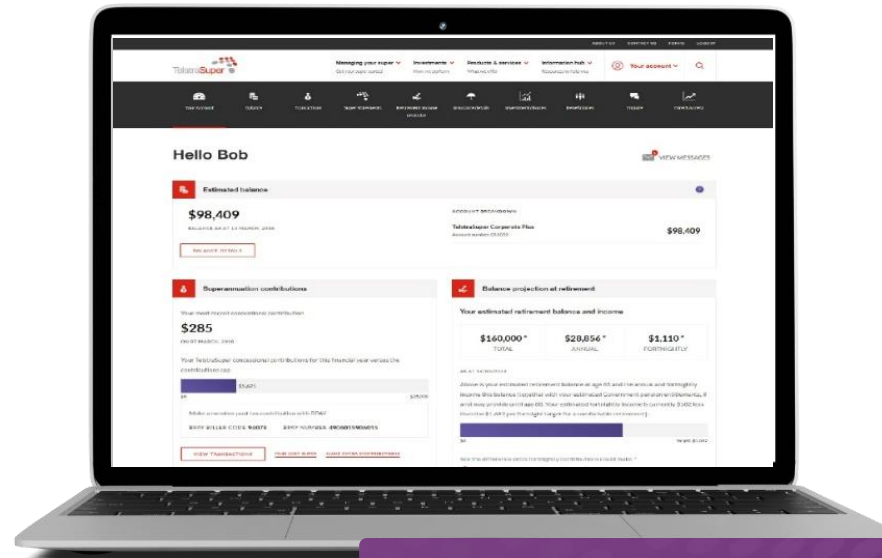




# Keeping in touch with your super



- ✔ 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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[telstrasuper.com.au](https://telstrasuper.com.au)

# 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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# Share the fund *love*

**We're open to everyone**

Exciting news! If you're a TelstraSuper member, you can refer your friends and family.

As new members, they'll enjoy all the benefits of membership, just like you. So share the fund love.

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





# Happy to answer your questions.



**1300 033 166**

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



**talkingsense@telstrasuper.com.au**



**telstrasuper.com.au**



**As a leading profit-to-member fund, TelstraSuper is committed to helping our members build a financially secure future.  
As a current TelstraSuper member, you are able to refer friends and family members to join TelstraSuper.**

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