

TODAY'S TOPIC

# Super 101

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



**WHY IS SUPER  
IMPORTANT?**



**CONSIDERATIONS  
FOR YOUR SUPER**



**HOW TELSTRASUPER  
CAN ASSIST**



**QUESTIONS**

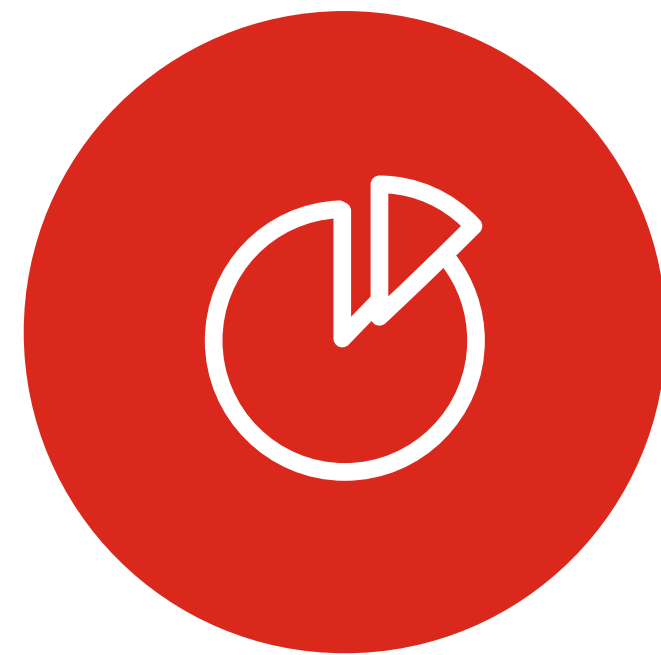


## WHY IS SUPER IMPORTANT?



WHY IS SUPER IMPORTANT?

# What are the facts?



10%

Employers are required to pay a minimum of **10%** of your salary into super.



\$3.1 trillion

The pool of super money in Australia is worth **\$3.1 trillion** at the end of the March 2021 quarter.



\$13.8 billion

The total number of lost or unclaimed super across Australia totalled **\$13.8 billion**, as at 30 June 2020.



Assets

For most people, super is likely to be their **largest financial asset** apart from the family home.

Source: [www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Super-statistics/Super-accounts-data/Lost-and-unclaimed-super-by-postcode/?=banner\\_sup\\_sec\\_Find\\_Lost\\_super](http://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Super-statistics/Super-accounts-data/Lost-and-unclaimed-super-by-postcode/?=banner_sup_sec_Find_Lost_super)  
[www.superannuation.asn.au/resources/superannuation-statistics#:~:text=Superannuation%20Statistics,of%20the%20June%202020%20quarter](http://www.superannuation.asn.au/resources/superannuation-statistics#:~:text=Superannuation%20Statistics,of%20the%20June%202020%20quarter).

WHY IS SUPER IMPORTANT?

# A good place to invest your money



## When employed

- **10% compulsory superannuation** guarantee contributions from your employer
- **Pre-tax money** you put into super is taxed at 15%
- **Investment earnings** are also taxed up to 15%

## In retirement

- **After you're 60** and you stop working, money that you withdraw is not taxed
- If you start a **Retirement income stream**, there is no tax on investment earnings (up to the transfer balance cap limit\*)
- You can also leave your super in your **accumulation account**

You should be aware that there are limits and conditions on how much you can contribute each year.  
\*Subject to a \$1.7 million Transfer Balance Cap that applies to retirement income streams.



# CONSIDERATIONS FOR YOUR SUPER



# Insurance within super



## Death Cover

Provides a lump sum for your dependents or your legal personal representative in the event of your death.

**Lump sum**



## Terminal Illness Benefit

Pays a lump sum if you're diagnosed with a terminal illness and the insurer is satisfied, on medical or other evidence, which will lead to your death within 24 months of the date of the certification, despite reasonable medical treatment. This is an advance on the death benefit.

**Lump sum**



## Total & Permanent Disability Cover (TPD)

Pays a lump sum if you become totally and permanently disabled and unable to work due to sickness or an accident.

**Lump sum**



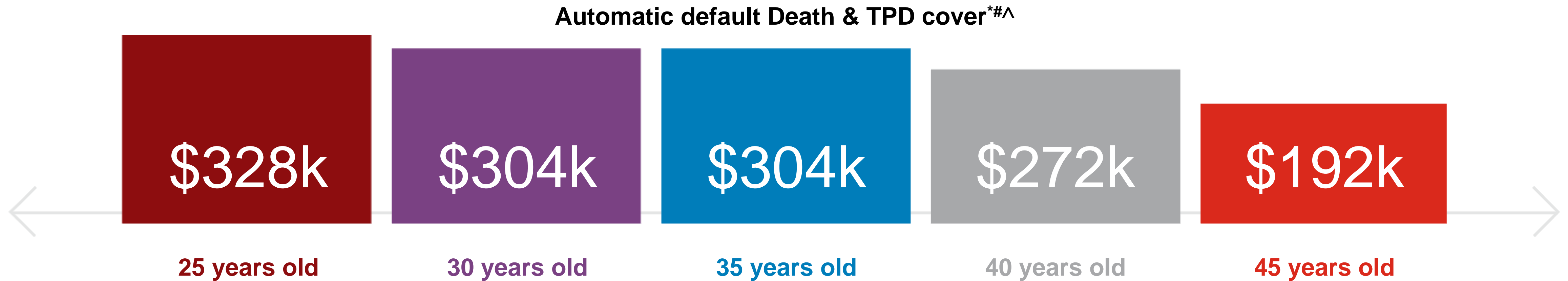
## Income Protection Cover

Provides a monthly income protection benefit plus a monthly super contribution if you're partially disabled or totally disabled and are unable to work due to sickness or accident.

**Monthly income**



# TelstraSuper Corporate Plus default insurance



## Default Income Protection<sup>^</sup>

Your Income Protection benefit payment will be up to **75% of your salary** with an additional **10%** of your salary paid into your super fund

If you're a TelstraSuper Corporate Plus member, your default insurance cover is for Death & TPD insurance. This is generally paid for by your employer as an employee benefit <sup>°</sup>

# If you are aged under 25 or have an account balance that is less than \$6,000 you must opt in within 120 days of commencing employment to receive member paid insurance cover subject to 'At Work' requirements. If cover is required 120 days after joining the fund, you will need to will need to apply and be assessed by our insurer.

\*Death & TPD default cover is calculated based on a salary of \$80,000 p.a.

<sup>^</sup> To be eligible for default cover in TelstraSuper Corporate Plus, you must join TelstraSuper within 120 days of commencing employment otherwise all cover is subject to application and acceptance. Income protection is not available to casual employees.

<sup>°</sup> For many permanent full-time and part-time TelstraSuper Corporate Plus members, your Default Death & TPD Cover is currently paid by your Employer, as an employee benefit, except for employees of Sensis (new employees from 1 July 2014), 1300 Australia, Chief Entertainment and Telstra SNP Monitoring, Telstra Health and Telstra Purple (new employees from 1 June 2019) where premiums will be deducted from your account quarterly in arrears or on withdrawal if you leave TelstraSuper Corporate Plus. It also excludes members who don't have their Superannuation Guarantee (SG) contributions paid to TelstraSuper. As a casual employee, if you satisfy the Default Cover Conditions, you will receive an age-based level of Default Death & TPD Cover, however the premiums are not paid for by your employer. Refer to the relevant Product Disclosure Statement and TelstraSuper insurance guide 1 July 2021 for full terms and conditions.

# Who can receive your death benefit?

Your eligible dependents are:



## Binding nomination

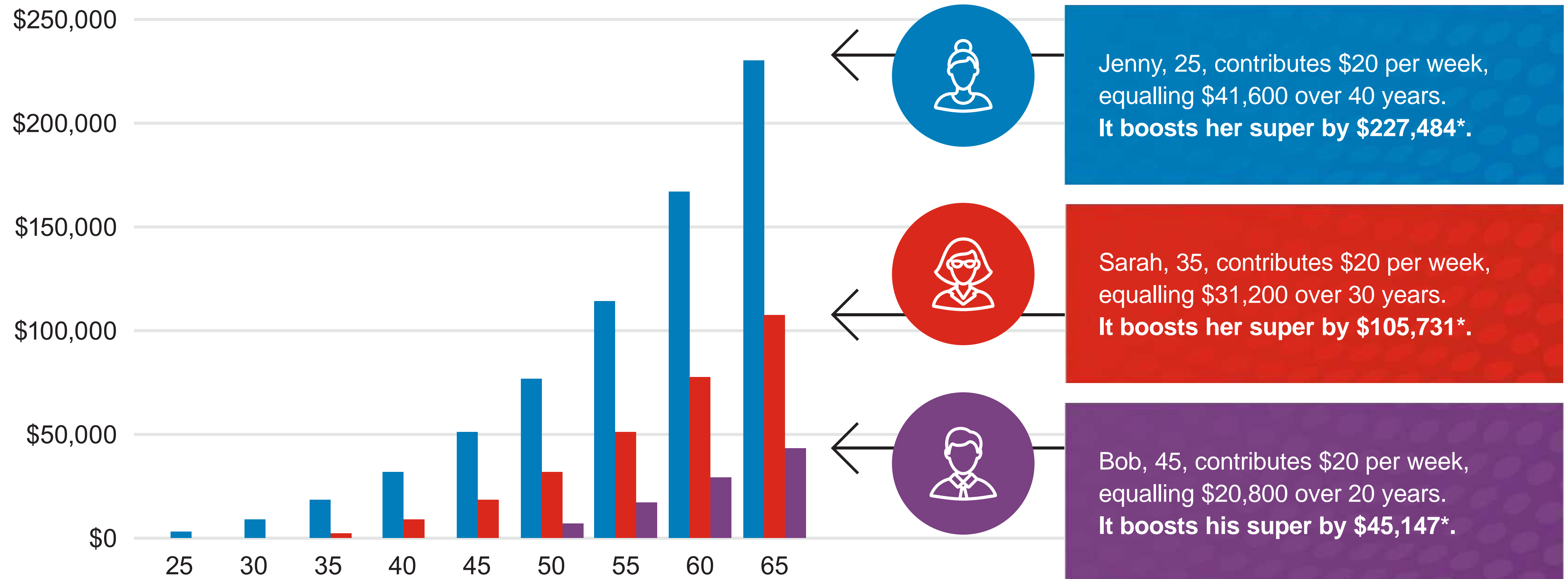
A valid binding death benefit nomination gives you certainty about who will receive your benefit in the event of your death and means TelstraSuper must pay your death benefit to the beneficiaries nominated in the proportion set out in the nomination. To be valid and in effect, the binding nomination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

# Maximising contributions



\* 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, retirement age of 65. Not discounted to today's dollars. Past performance is not a reliable indicator of future performance. This presentation contains factual information and general advice only. 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 considering acquiring a financial product you should obtain the relevant product disclosure statement before making any decision. Source: [www.moneysmart.gov.au/budgeting/compound-interest-calculator](http://www.moneysmart.gov.au/budgeting/compound-interest-calculator)

# Summary of contribution 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.

## **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 67 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.

\* 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 \$330,000.

<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.

<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.

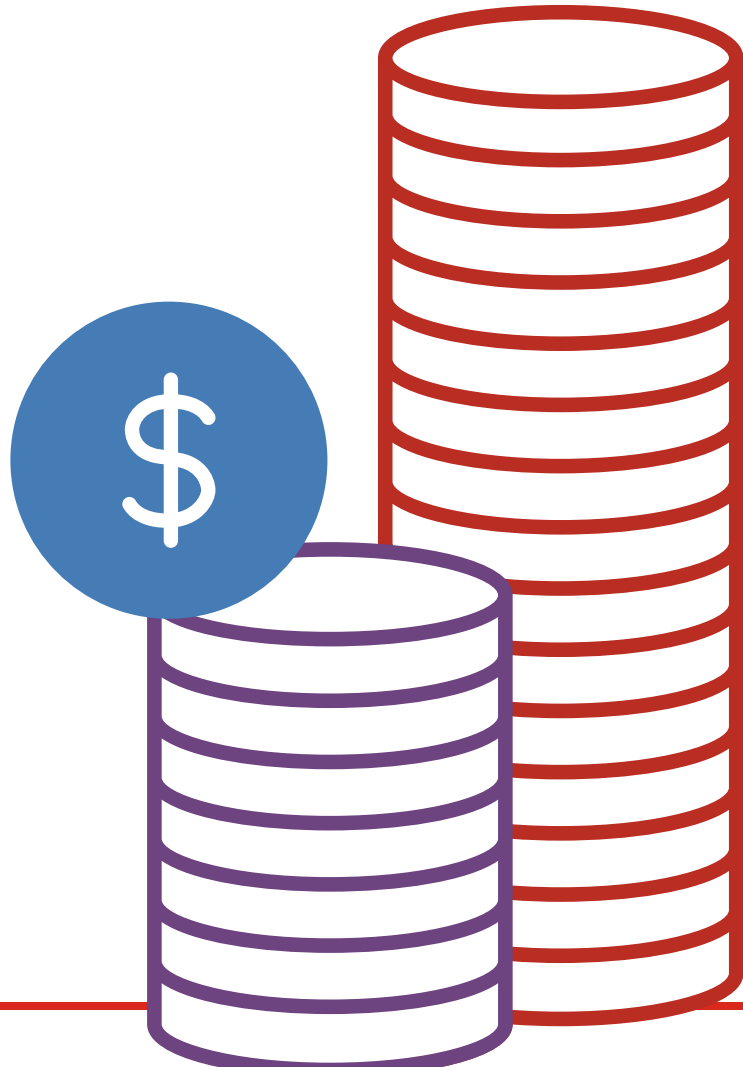
	Annual concessional contribution cap	Carried forward cap available at the start of the financial year	Pre-tax contributions made	Unused cap carried forward from end of financial year
<b>2019/20</b>	\$25,000	\$25,000	Nil	\$25,000
<b>2020/21</b>	\$25,000	\$50,000	\$10,000	\$40,000
<b>2021/22</b>	\$27,500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

Source: [www.ato.gov.au/individuals/super/in-detail/growing-your-super/super-contributions---too-much-can-mean-extra-tax/?page=6](http://www.ato.gov.au/individuals/super/in-detail/growing-your-super/super-contributions---too-much-can-mean-extra-tax/?page=6)

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# 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.

# 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<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.

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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# Investment choice

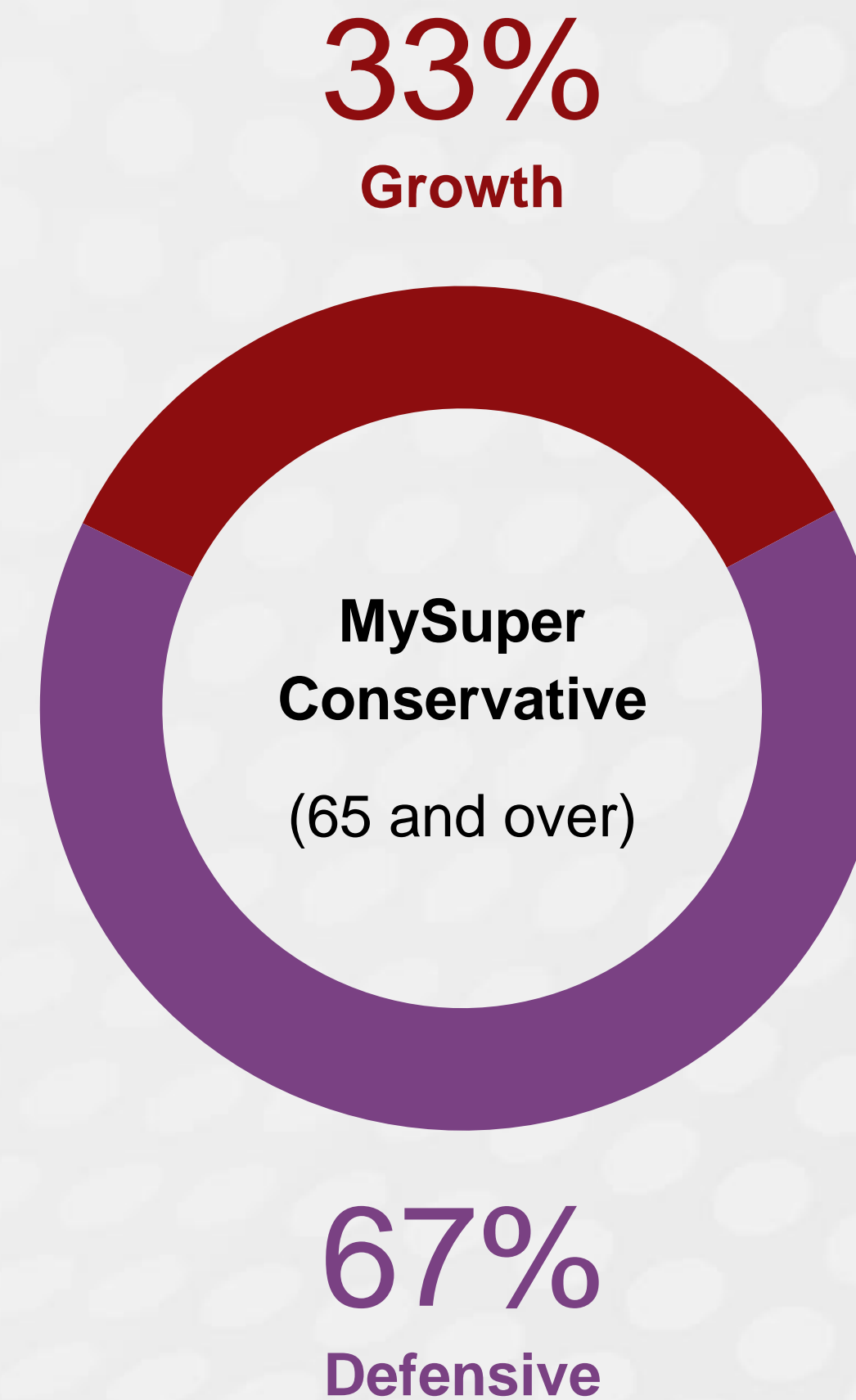
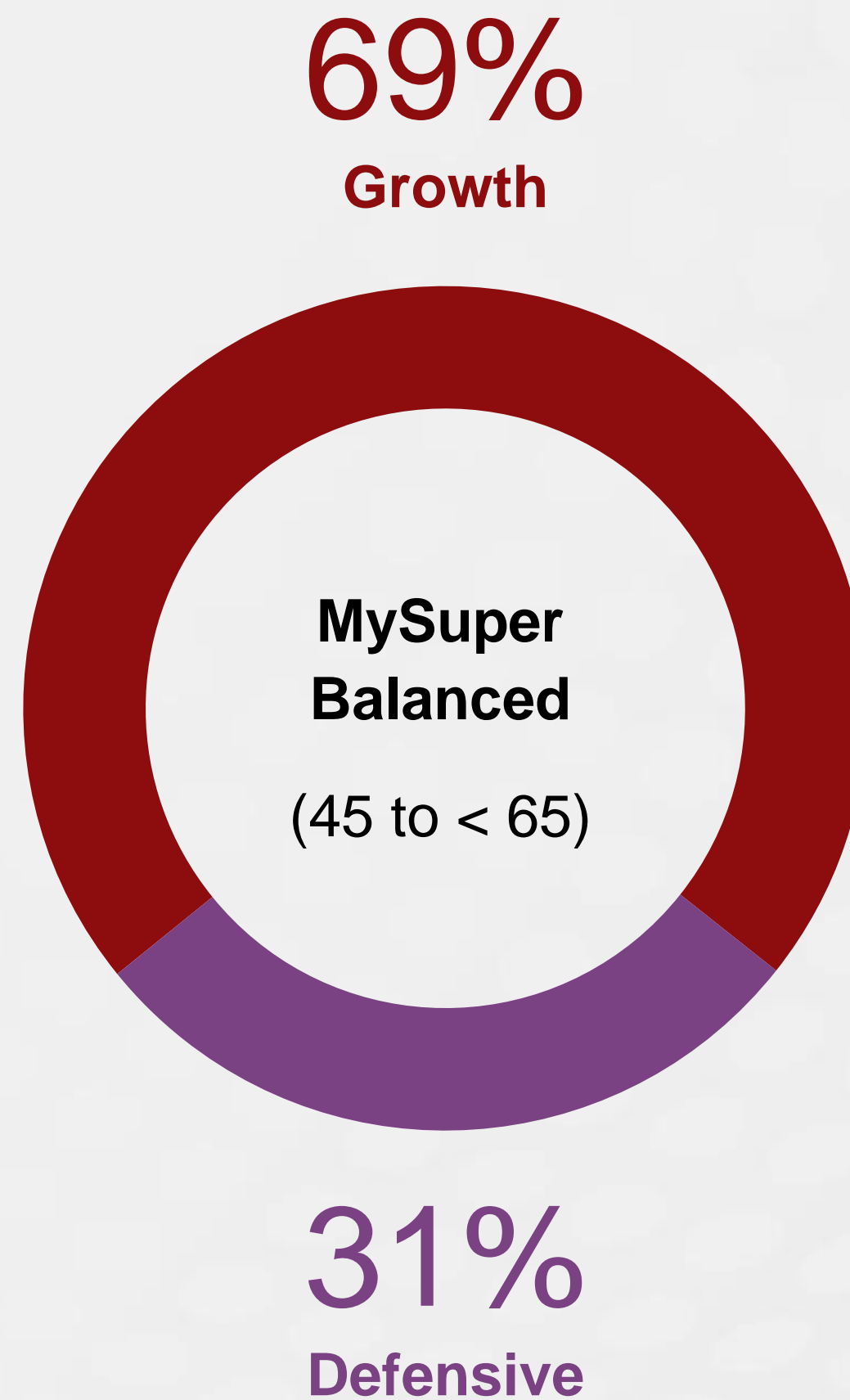
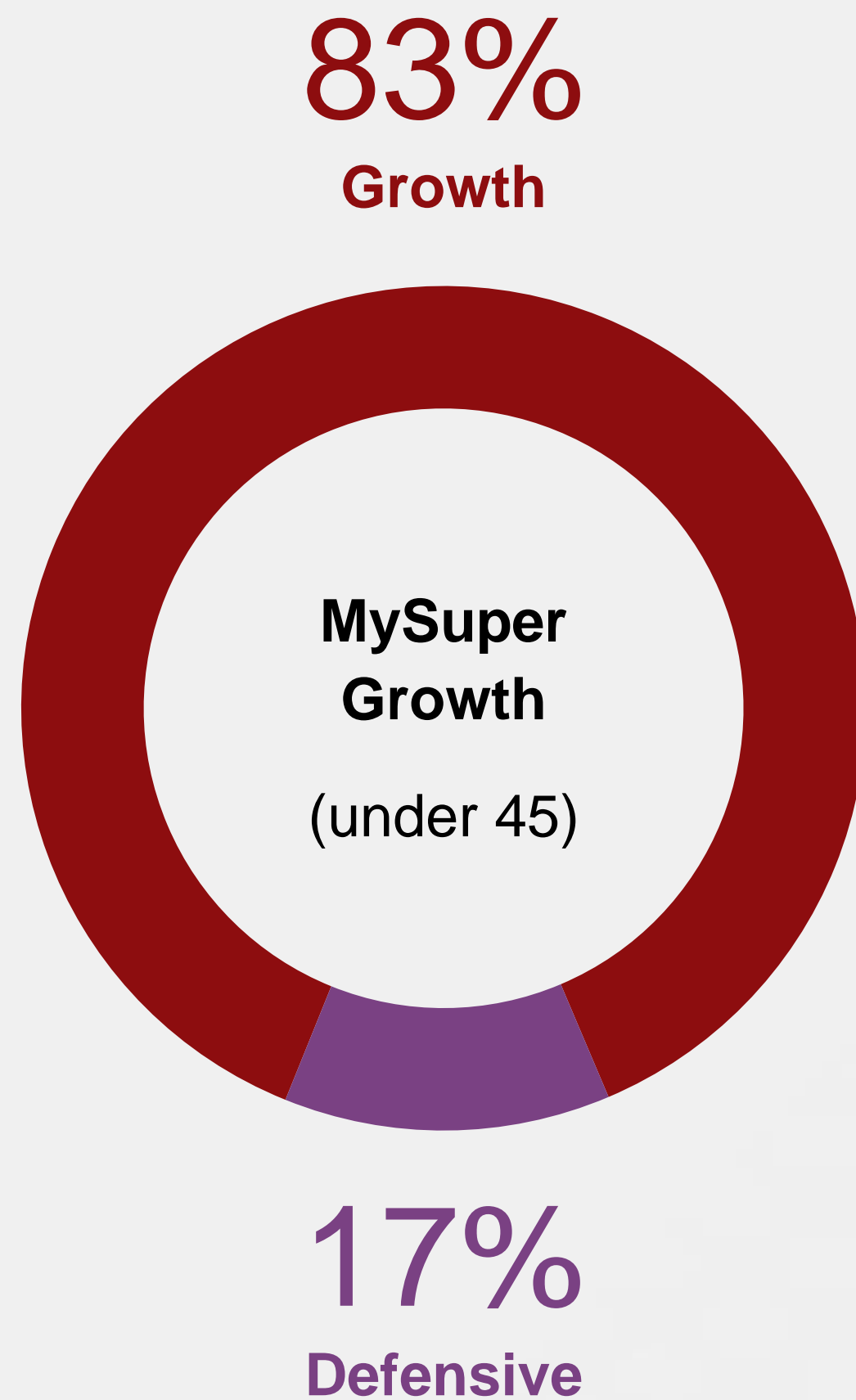


Source: TelstraSuper Investment Guide, 1 July 2021.

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# Understanding MySuper



Source: TelstraSuper Investment Guide, 1 July 2021.

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# Investment options



Investment option	Growth / Defensive assets	Return objective CPI	Risk of negative return	Suggested investment timeframe
<b>Growth</b>	83% / 17%	+3.5% pa	4–6 years in 20	7–10 years
<b>Balanced</b>	69% / 31%	+3% pa	4–6 years in 20	5–10 years
<b>Diversified Income</b>	53.8% / 46.2%	+2%pa	3–4 years in 20	4–8 years
<b>Defensive Growth</b>	53.5% / 46.5%	+2% pa	3–4 years in 20	4–8 years
<b>Conservative</b>	33% / 67%	+1% pa	1–2 years in 20	3–10 years
<b>International Shares</b>	100% / 0%	+3.5% pa	4–6 years in 20	8–10 years
<b>Australian Shares</b>	100% / 0%	+3.5% pa	6 or more years in 20	8–10 years
<b>Property</b>	57.5% / 42.5%	+3% pa	4–6 years in 20	5–7 years
<b>Fixed interest</b>	0% / 100%	Refer footnote#	1–2 years in 20	4–8 years
<b>Cash</b>	0% / 100%	Refer footnote*	Less than 0.5 years in 20	0–2 years

#The fixed interest return objective as per the investment guide is to outperform the Bloomberg AusBond Bank Bill Index, adjusted for tax +0.5% pa.

\*The Cash option return objective as per the investment guide is to outperform the Bloomberg AusBond Bank Bill Index, adjusted for tax.

The Bloomberg AusBond Bank Bill Index is a commonly used benchmark for cash-like investments. It measures the return earned on a diversified portfolio of different types of short-term cash investments.

Cash investments are generally taxed at 15% in the superannuation accumulation phase.

Source: TelstraSuper investment guide dated 1 July 2021

# Fees and costs



Fee type	TelstraSuper Corporate Plus	
Administration fees and costs	✓	\$1.50 per week + 0.18% per annum
Investment fees and costs	✓	Range 0.08% p.a. – 1.46% p.a. depending on your chosen investment option Deducted in the calculation of unit prices daily
Buy / sell spread	✓	The buy cost or sell cost ranges from 0% to 0.10% depending on the investment option.
Switching fee	✗	
Transaction costs	✗	
Contribution fees	✗	
Comprehensive personal advice fees	✓	Ranges from \$1,000 to \$2,750 (plus GST where applicable) depending on the nature and complexity of advice required.
Insurance premiums	✓	Default cover generally paid for by your Telstra Group Employer
Exit fees	✗	

Refer to TelstraSuper Corporate Plus Product Disclosure Statement 1 July 2021, Additional Information about your Super Guide 1 July 2021, and TelstraSuper Financial Planning Financial Services Guide 5 October 2021 for full fee details.

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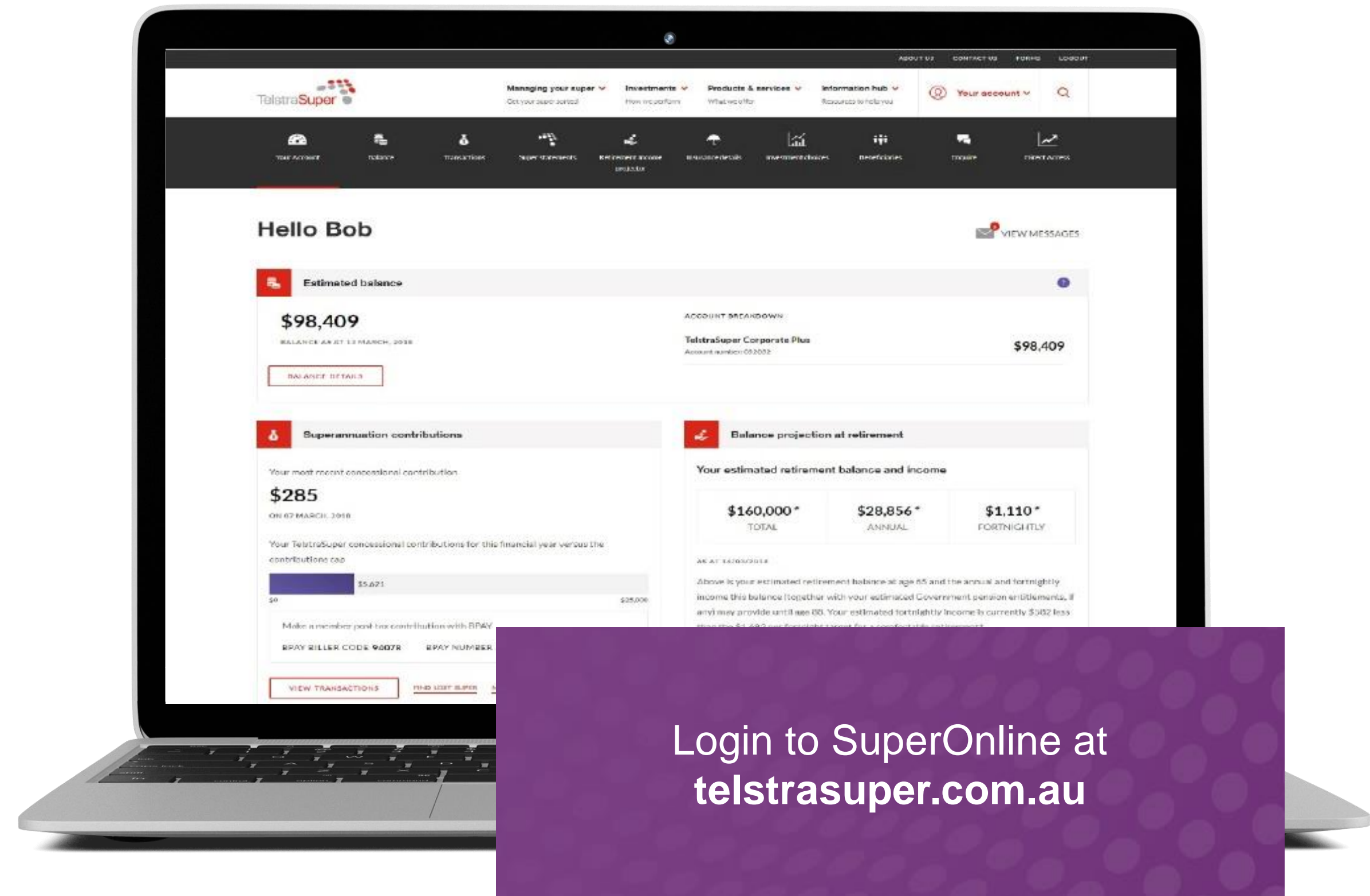
## HOW TELSTRASUPER CAN ASSIST



# 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

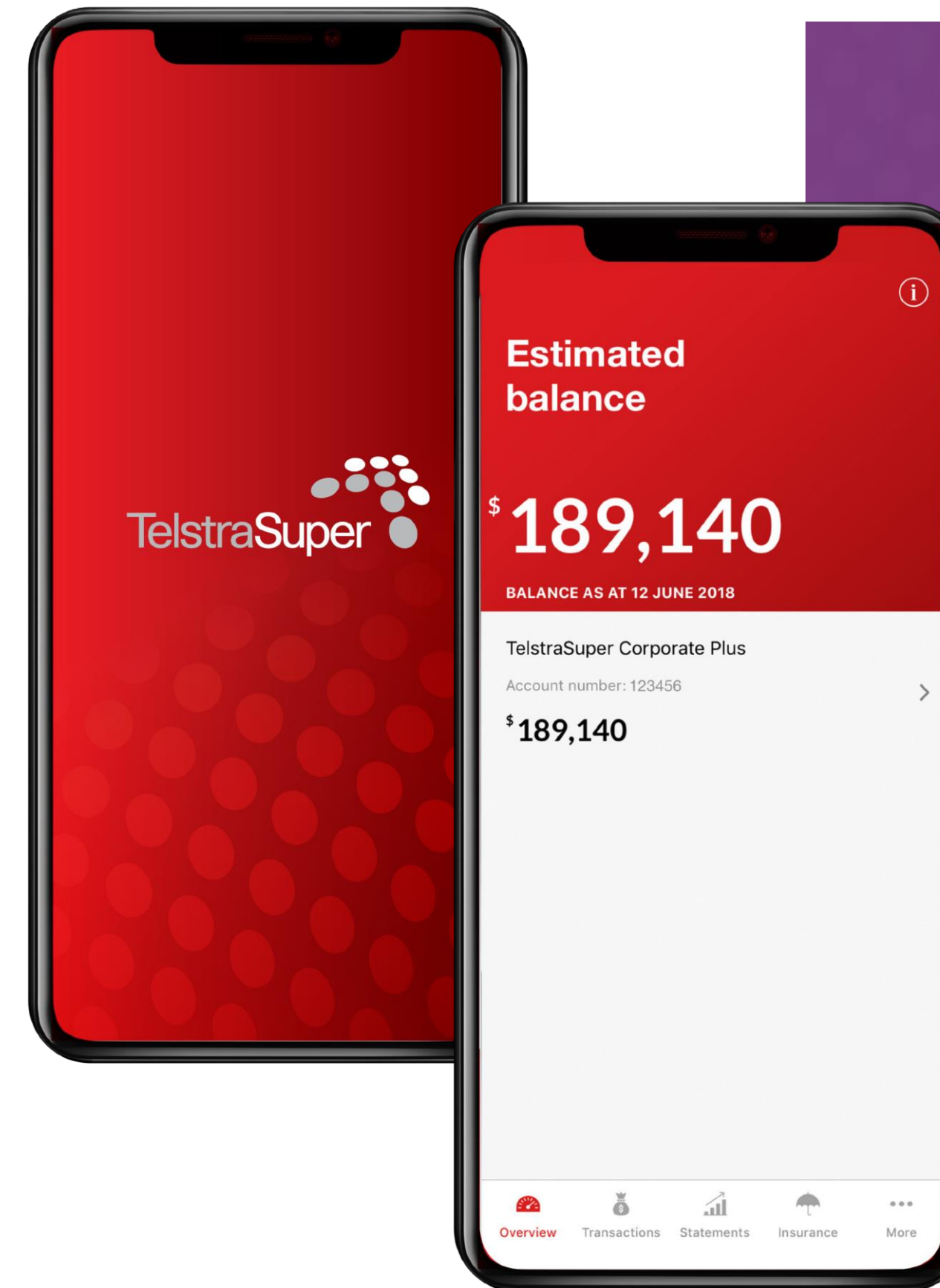


HOW TELSTRASUPER CAN ASSIST

# TelstraSuper app



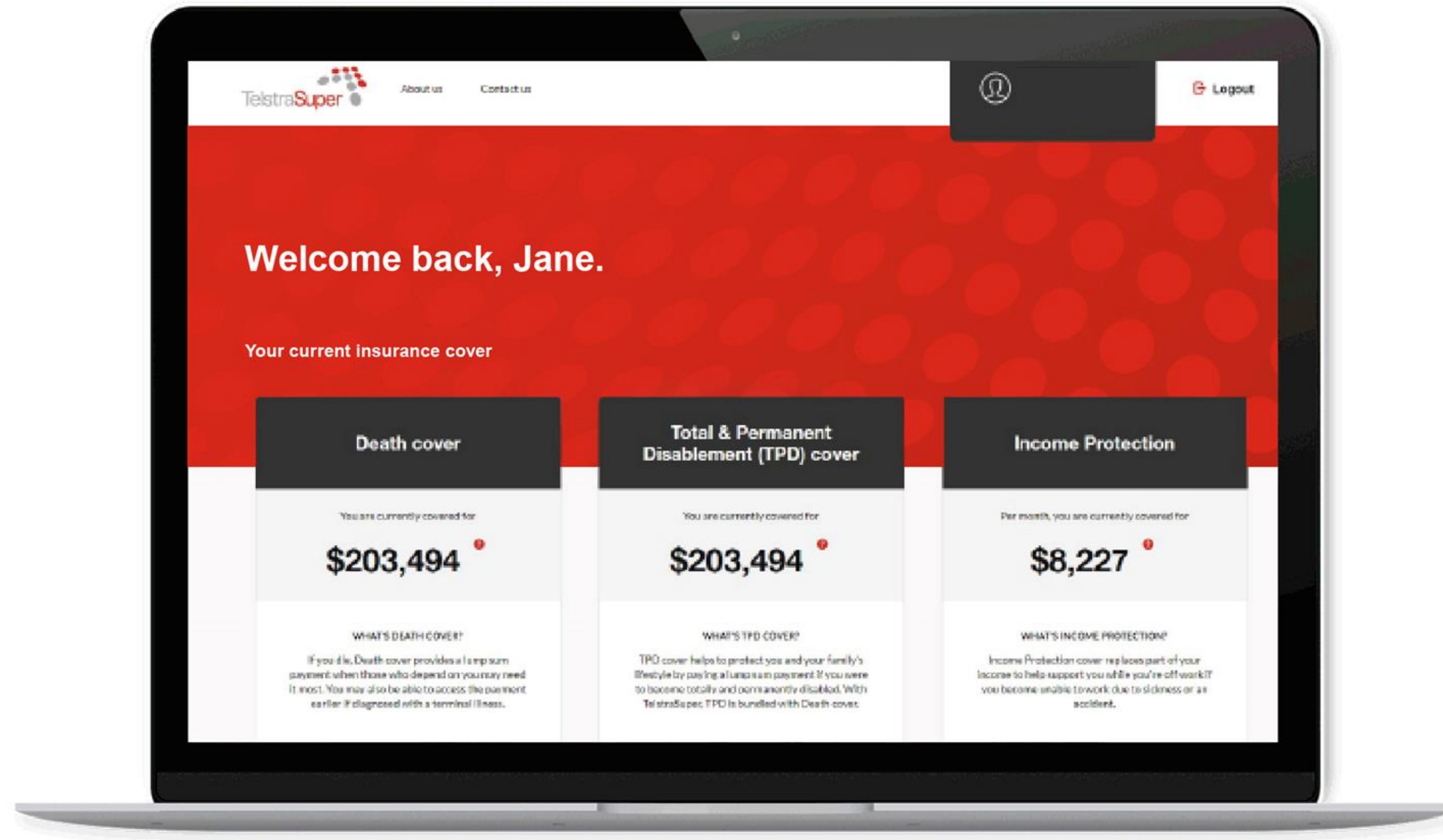
- ✓ Estimated account balance
- ✓ Investment options, allocation of units and investment returns
- ✓ Latest contributions
- ✓ Pre-tax contributions against the concessional contributions cap
- ✓ Benefit statements
- ✓ Insurance cover
- ✓ Transactions
- ✓ Digital Member Card
- ✓ Contact TelstraSuper



Available on Android and Apple iOS.

HOW TELSTRASUPER CAN ASSIST

# Insurance portal



# 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



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



**As a leading profit-to-member fund, TelstraSuper is committed 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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