

Super changes – are you prepared?



Benefits of TelstraSuper



Security of Australia's largest corporate fund

- \$18 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

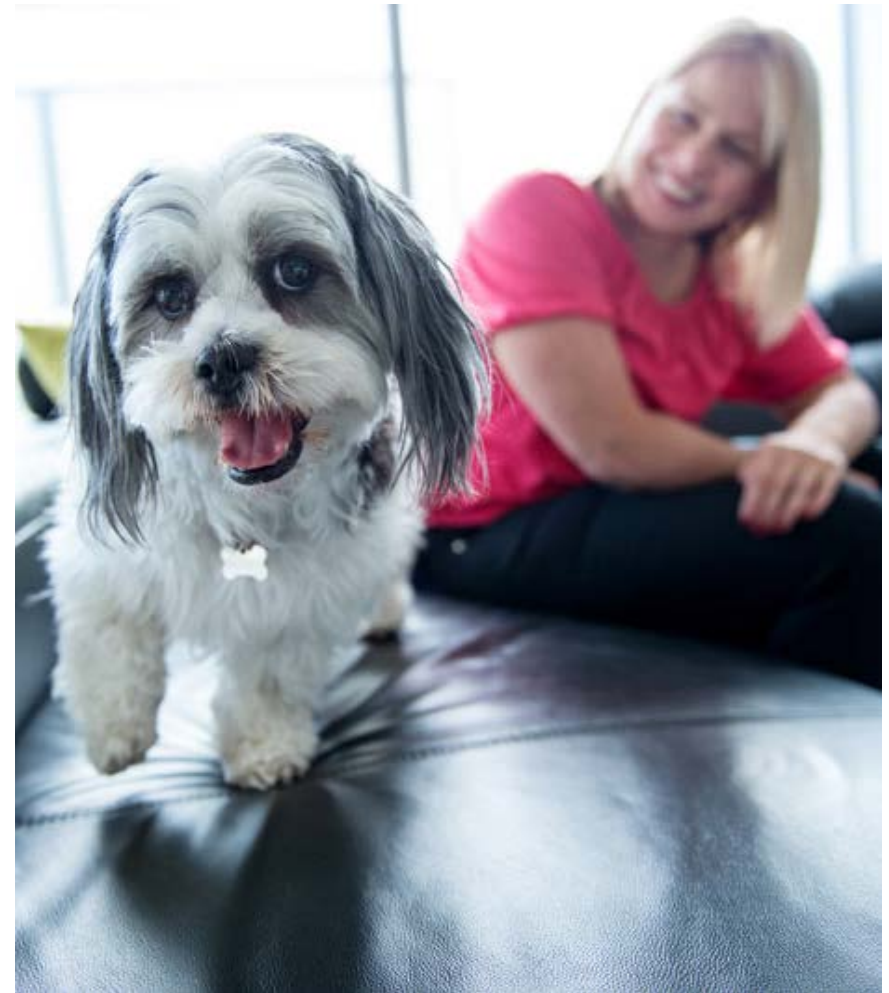
Enjoy the security of automatic income protection cover and employer-paid base death and disability insurance.

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
- Increase in contributions tax for high income earners



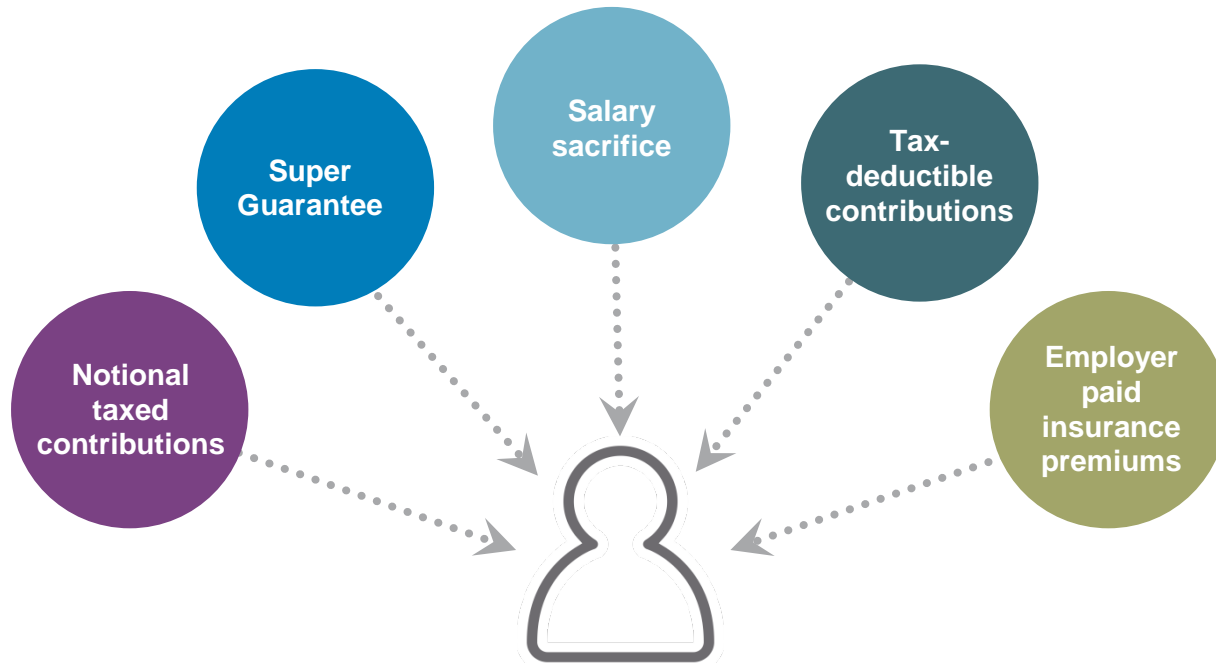
Other changes to super

- **\$1.6 million pension transfer balance cap**
- Earnings tax levied on transition to retirement pensions

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

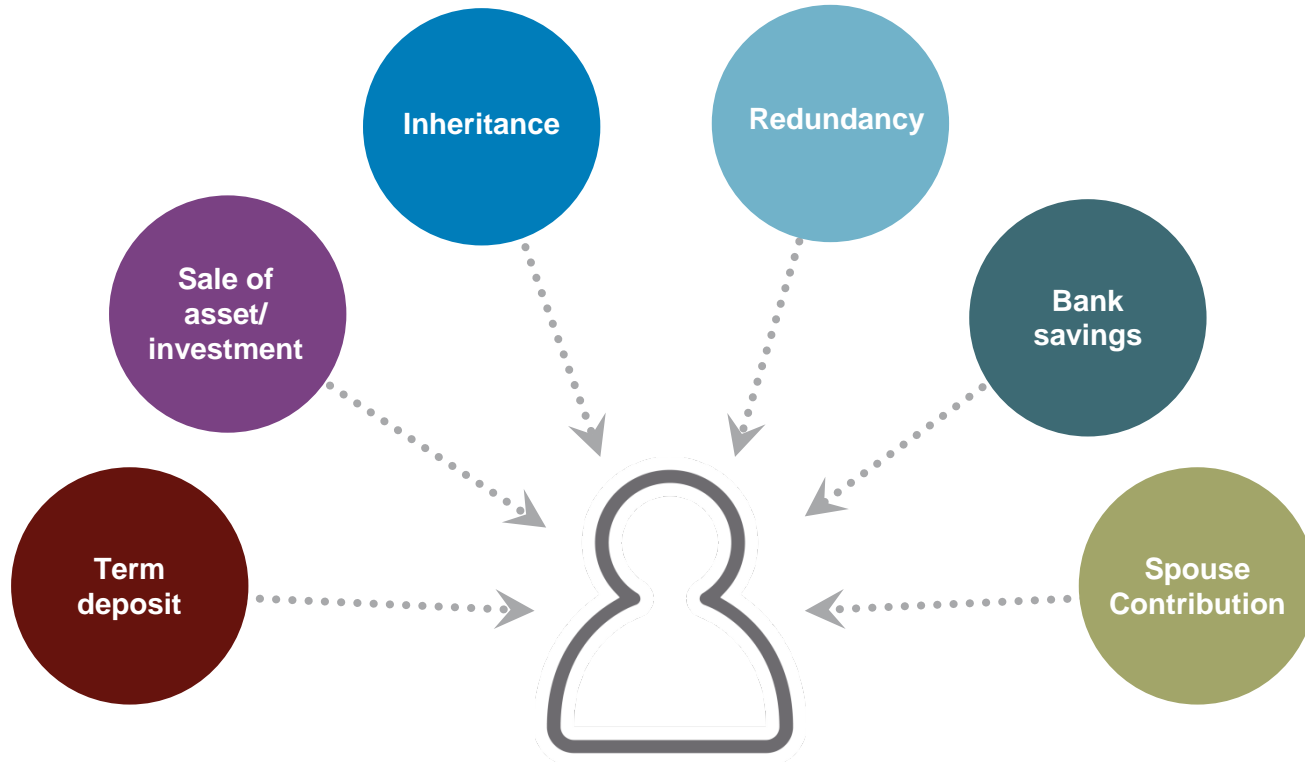
Opportunity

- 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
 - Individual cumulative cap
 - Ability to contribute up to \$125k concessional or claim a tax deduction
 - Potential ability to reduce CGT liabilities on the sale of assets outside of super
- Contribution splitting to maintain balance below \$500k

Consideration

- Reduce pre-tax contributions to below \$25k per annum
- 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 SG contribution (\$19,615 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 for a couple to contribute up to combined \$1,080,000

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.

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**

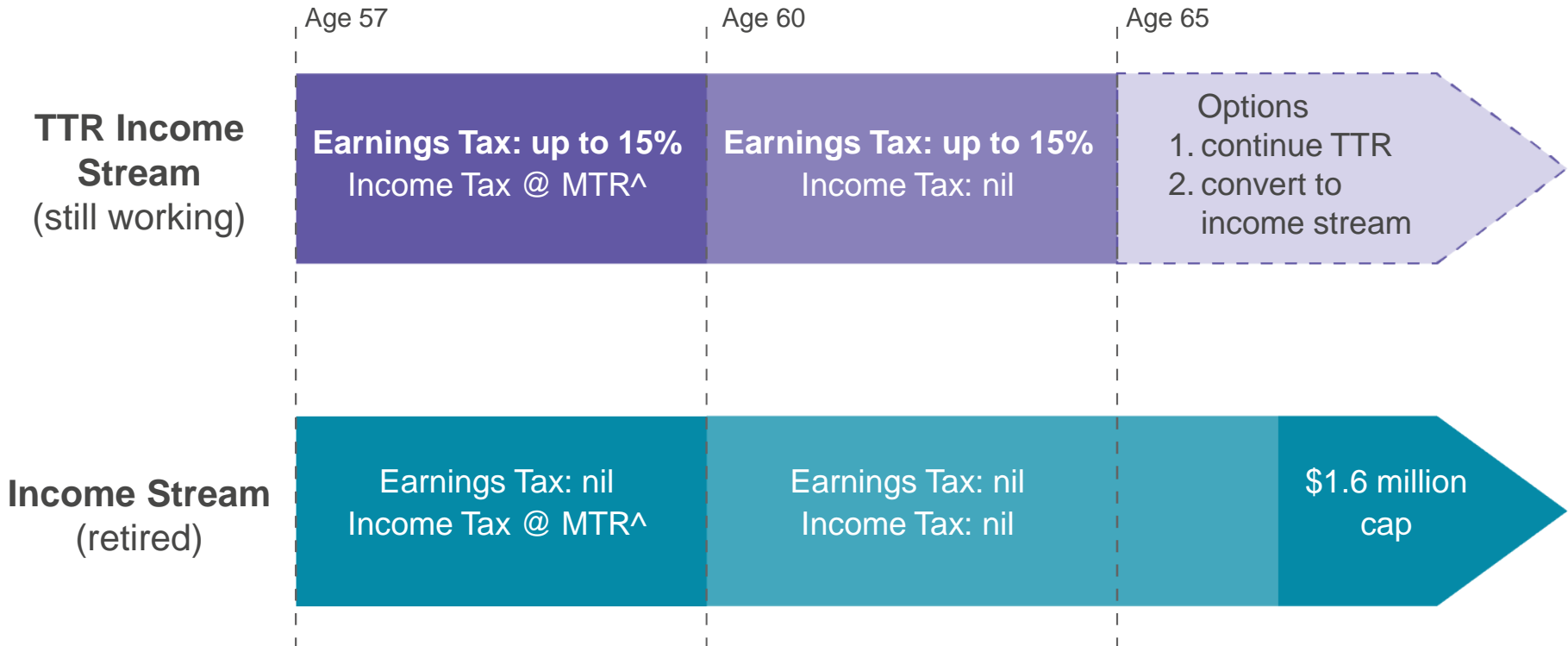
Other changes impacting super



Retirement Income



Changes from 1st July



[^] Up to 47% plus Medicare levy



Transition to Retirement

Opportunity

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

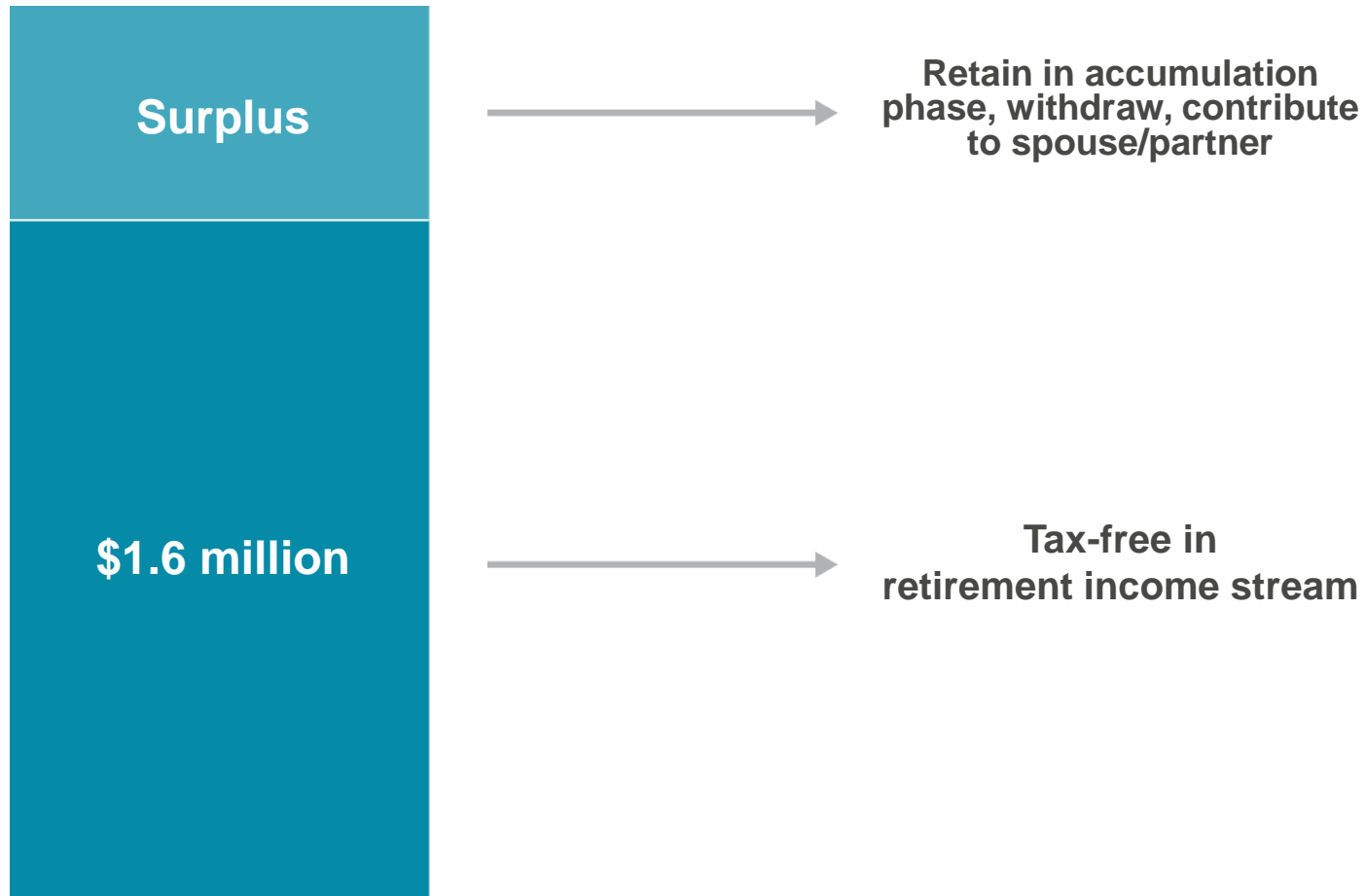
Consideration

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





\$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 tax 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
- **CSS Pension implications plus other super accounts held**
- 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)



TelstraSuper assistance





TelstraSuper Financial Planning



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

Estimated balance
AS AT 13 JULY, 2017
TelstraSuper Personal Plus
Account number: 027893
\$564,118

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
[LEARN MORE](#)

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Important information about investment performance and asset mix
[LEARN MORE](#)

\$564,118

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

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

What's next?



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Review your
contribution
strategy

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your options
with
TelstraSuper

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Thank you

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