

# Managing your financial future – in black & white




# Chapters...


**Growing your wealth – in black & white**



**Managing your debt – in black & white**



**Why super is important – in black & white**




**Protecting your lifestyle (insurance) – in black & white**



**Understanding estate planning – in black & white**



**Planning for retirement – in black & white**



**Why super is important – in black & white**

# Why super is important – in black & white



# 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.



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# Financial Literacy: Question

Have you ever tried to work out how much you need to save for retirement?

Yes



No



32%

68%

Source: Financial Literacy and Retirement Planning in Australia (7/1/2013)



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# Financial Literacy: Question

Do you think you'll have enough in retirement?

Yes



No



50%

50%

Source: <http://www.abc.net.au/news/2016-02-19/australians-worried-uncomfortable-retirement-lifestyle-survey/7183146>



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# Financial Literacy: Question

Do you think you have enough saved to cover your expenses if you weren't able to work?

Yes



No



75%

25%

Source: <http://www.smh.com.au/business/consumer-affairs/underinsurance-survey-finds-38-per-cent-of-families-have-no-life-insurance-20170518-gw7m34.html>



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# Agenda

**01**

What is super  
and why

**02**

What do I need  
to know

**03**

When can I get it

**04**

TelstraSuper  
assistance

**05**

Summary

**06**

Questions



# What is super and why?



# Superannuation



## Structure

Superannuation is simply a structure in which investments are held



## Tax

A tax-advantaged or concessionally taxed environment



## Contributions

Types of contributions:

- Concessional (pre-tax)
- Non-concessional (post-tax)



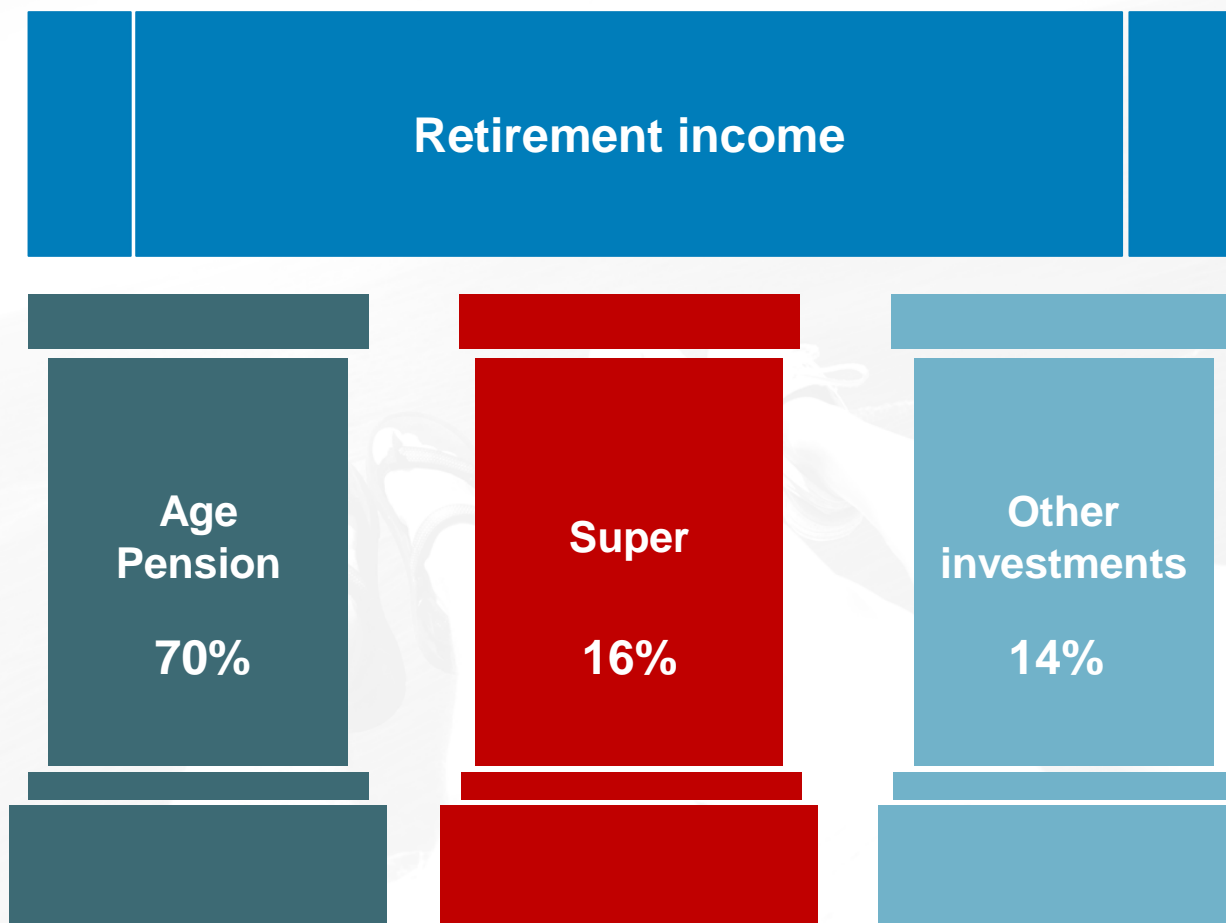
## Investment earnings

Maximum rate of tax applied to investment earnings is 15%

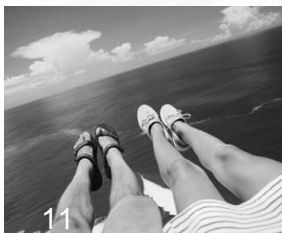


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# Australia's retirement income system



Source: ASFA



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# What are the facts?

**9.5%**

Employers are required to pay 9.5% of your wage into super (at Telstra you get 10%)

**\$2.6 trillion**

The pool of super money in Australia is worth a massive \$2.6 trillion

**5.7 million**

There are 5.7 million lost and ATO-held super accounts (worth more than \$14 billion!)



For most people super will be their largest financial asset apart from the family home

Source: ASFA



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# What are the facts?



Source: ASFA (media release 19 July 2017)








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# How much do I need?

	Comfortable \$60,457 a year (per couple)	Age Pension \$31,995 a year (per couple)
	Afford bottled wine	Home brew or no alcohol
	Own reasonable car	No car or struggle to afford
	Good clothes	Basic clothes
	One holiday in Australia	Short breaks or day trips in own city
	Regularly eating out at restaurants	Only club special meals or inexpensive takeaway



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# What do I need to know

# Contributions



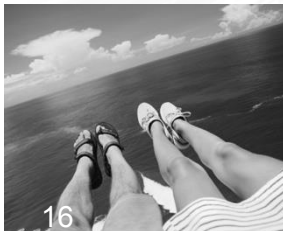
**Employer  
contributions**



**Employee  
contributions**



**Super**



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# Why super is a good place to put your money



## You can save on tax:

- Pre-tax money you put into super is taxed at 15%
- For most people that's less than the tax on their take home pay
- Investment earnings are also taxed at 15%



## After your 60, it's all tax free when you take it out

- And if you keep your money in super, you can keep growing your money tax free

Contribution caps	
Pre-tax (concessional)	\$25,000 per annum
Post-tax (non-concessional)	\$100,000 per annum <sup>*^</sup> \$300,000 over 3 years <sup>^#</sup>

\* Must satisfy work test if aged 65 and over

<sup>^</sup> Subject to \$1.6 million balance cap

<sup>#</sup> Not available from age 65



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# Contributing

	25 Jack	35 Janice	45 Jimmy
<b>Weekly contribution</b>	\$20	\$20	\$20
<b>Total amount contributed to age 65</b>	\$41,600	\$31,200	\$20,800
<b>Estimated boost to retirement savings*</b>	\$229,004	\$106,298	\$45,335

\*Based on weekly unchanging contributions of \$20 pre-tax to age 65, investment return of 7% p.a. net of fees, taxes and other costs, retirement age of 65. Not discounted to today's dollars. Assumes zero balance at commencement. Past performance is not a reliable indicator of future performance

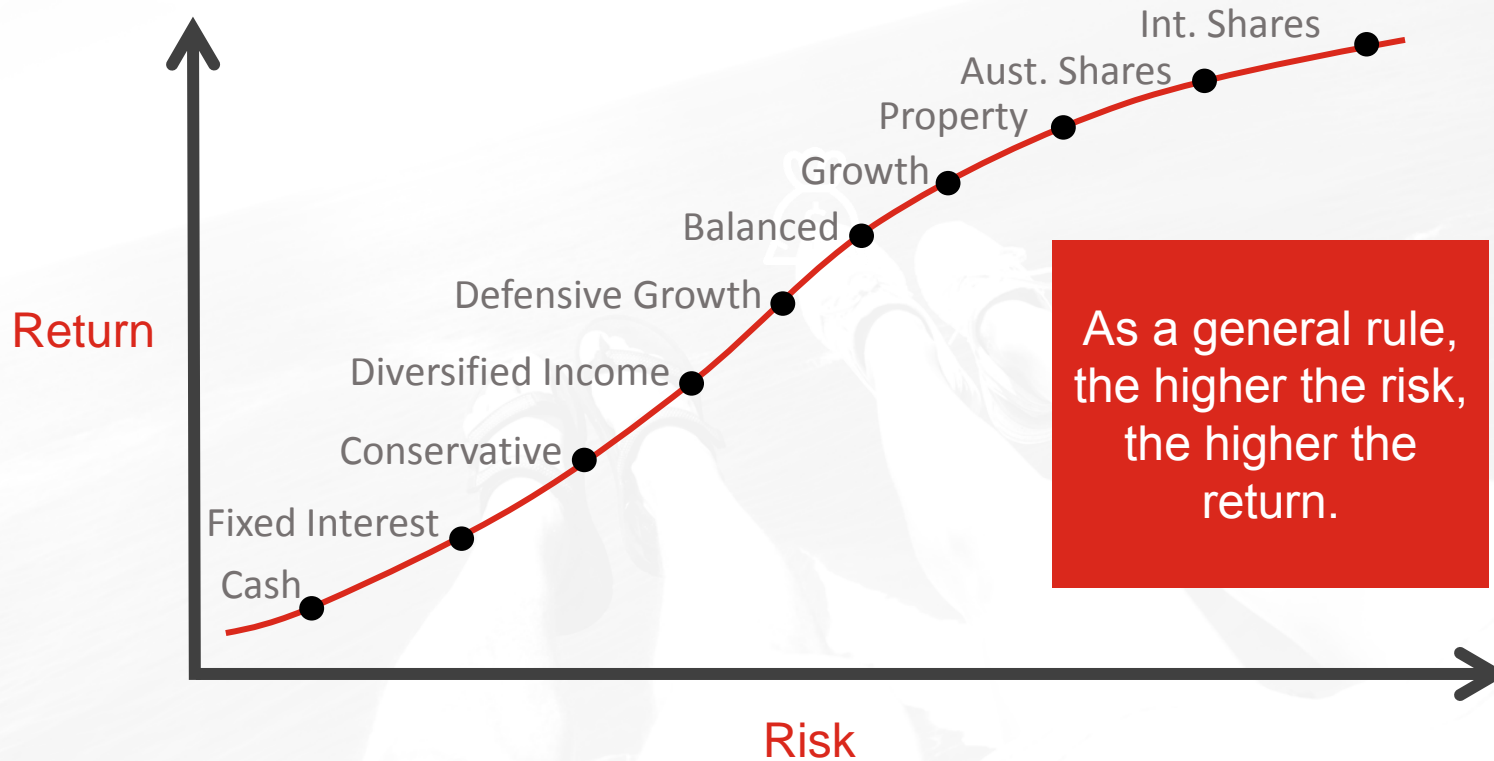


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# Investment choice



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# Insurance cover in your super



## Types of cover:

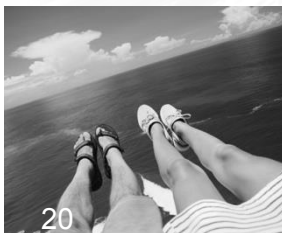
- Life insurance in the event of death
- Total and permanent disability cover
- Income protection

**If you're with TelstraSuper, your life insurance and TPD cover is paid for by Telstra**

## Benefits of insurance through your super

- Can be cheaper
- Tax advantage
- Easy to manage

**Beneficiary:**  
Who will receive your super and any insurance payout in the event of your death



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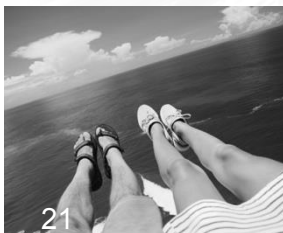
# Insurance cover – meet Adam



Adam is 34 years old and his salary is \$80,000pa + \$8,000 in super. He's employed full-time for Telstra

Income protection	Life insurance	Total and permanent disability
\$5,000 per month + \$667 in super	\$304,000	\$304,000

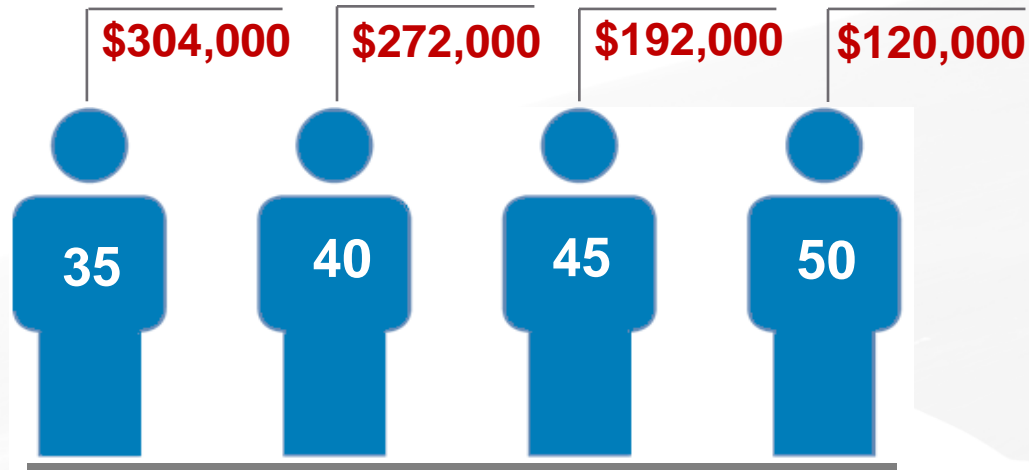
\*The replacement income is up to 75% of your salary excluding super, with an additional 10% of your salary excluding super to be paid to your superannuation account. Source: TelstraSuper Corporate Plus Insurance Guide, 30 September 2017



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# Insurance cover – TelstraSuper Corporate



Automatic base Death and TPD cover

Your Income Protection will be up to

**75% of your salary** plus  
**10% paid to your super\***

\*The replacement income is up to 75% of your salary excluding super, with an additional 10% of your salary excluding super to be paid to your superannuation account. Source: TelstraSuper Corporate Plus Insurance Guide, 30 September 2017



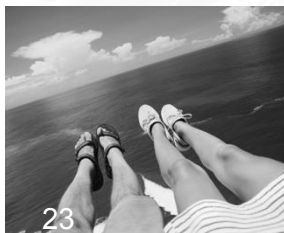
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# Key things to look for in a fund

- **Profit to member**
  - Industry, corporate or public sector funds
- **Net returns**
  - Long term performance (5, 7 or 10 years)
  - Fees (watch out for contribution or exit fees)

Fee type	TelstraSuper
Admin fees	✓
Contribution fees	✗
General advice fees	✗
Personal advice fees	✓
Insurance premiums	✓ (base cover paid for by Telstra)
Exit fees	✗



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# New measures you might have seen

## First Home Super Saver



- ✓ Let's first home buyers save for their house deposit within their super
- ✓ Eligible people can save \$15,000 a year (to a total of \$30,000) in their super and then withdraw it for a home deposit
- ✓ You can't take out the super your employer pays you – just voluntary contributions that you make after 1 July 2017

## Downsizing family home



- ✓ Designed to encourage older people to sell the family home
- ✓ Let's eligible people over the age of 65 contribute up to \$300,000 from the proceeds of the sale of their home into their super



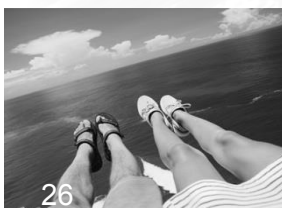
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# When can I get it

# When can I access my super?

Date of birth	Preservation age	Commencing
Up to 30 June 1960	55	
1 July 1960 to 30 June 1961	56	Current
1 July 1961 to 30 June 1962	57	1 July 2018
1 July 1962 to 30 June 1963	58	1 July 2020
1 July 1963 to 30 June 1964	59	1 July 2022
From 1 July 1964	60	1 July 2024



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# TelstraSuper assistance



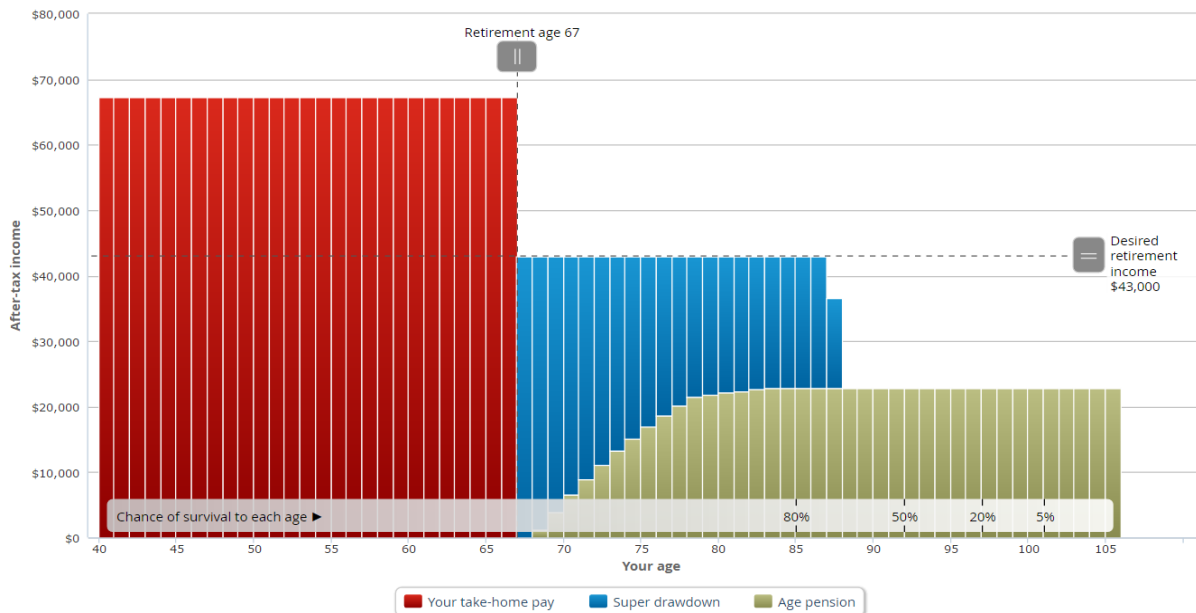
# Super & retirement projector



Scenarios View

Summary **Your income** Your balance

Projected retirement income (in today's dollars)



Your details

Current age 40

Are you already retired?

No Yes

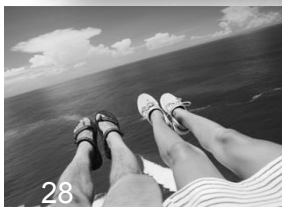
Current annual salary \$90,000

Current super balance \$150,000

Gender

M F

NEXT



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# Financial advice

If you are a TelstraSuper member you're entitled to general and limited personal advice about your super over the phone at no additional cost.

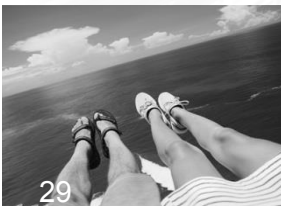
## TelstraSuper Financial Planning can help you with things like:

- making contributions to your TelstraSuper account
- finding and consolidating your lost super
- taking TelstraSuper to your new job
- making an investment option choice
- reviewing the insurance within your account
- managing your super in the event of redundancy



## Want comprehensive financial advice?

TelstraSuper Financial Planning offer full service financial advice at a competitive fee.



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# Summary

# Super informed

01

## **CONSOLIDATE**

Save on fees, reducing the amount of paperwork, ease of management/administration.

02

## **CONTRIBUTE**

A little now makes a big difference later. The earlier you start the better off you will be.

03

## **INSURANCE**

Incorporating cover in your super can be cheaper, have some tax advantage and easier to manage

04

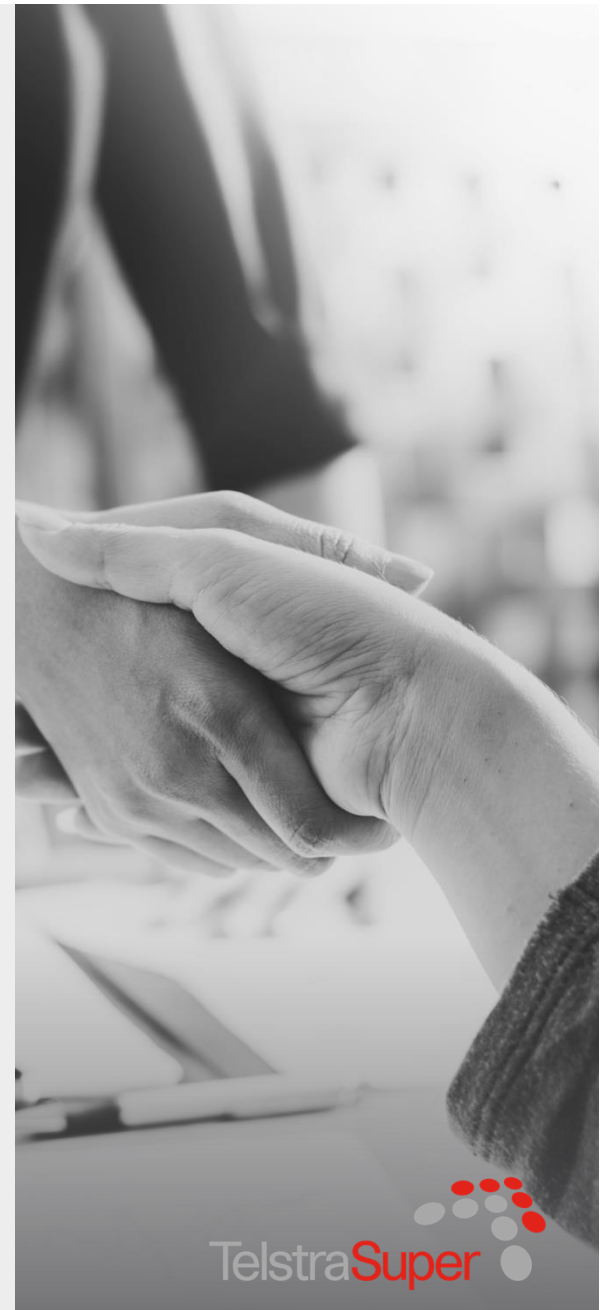
## **INVESTMENT**

Selecting the right investment strategy can help you maximise your super – one of the most important investments you'll make.


05


## **ADVICE**


Navigate the financial advice process with confidence





# Useful tools

 ASIC MoneySmart  
[www.moneysmart.gov.au](http://www.moneysmart.gov.au)

 Australian Taxation Office  
[www.ato.gov.au/Individuals/Super/](http://www.ato.gov.au/Individuals/Super/)

 ASFA Retirement Standard  
[www.superannuation.asn.au/  
resources/retirement-standard](http://www.superannuation.asn.au/resources/retirement-standard)

 ASFA  
[www.superguru.com.au](http://www.superguru.com.au)

 1300 033 166

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

 [www.telstrasuper.com.au](http://www.telstrasuper.com.au)

# Book in to the next chapter...

**Protecting your lifestyle (insurance) – in black & white**



**Understanding estate planning – in black & white**



**Planning for retirement – in black & white**




# Or revisit what you missed...

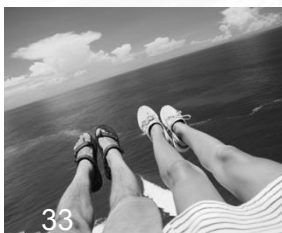

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**Managing your debt – in black & white**



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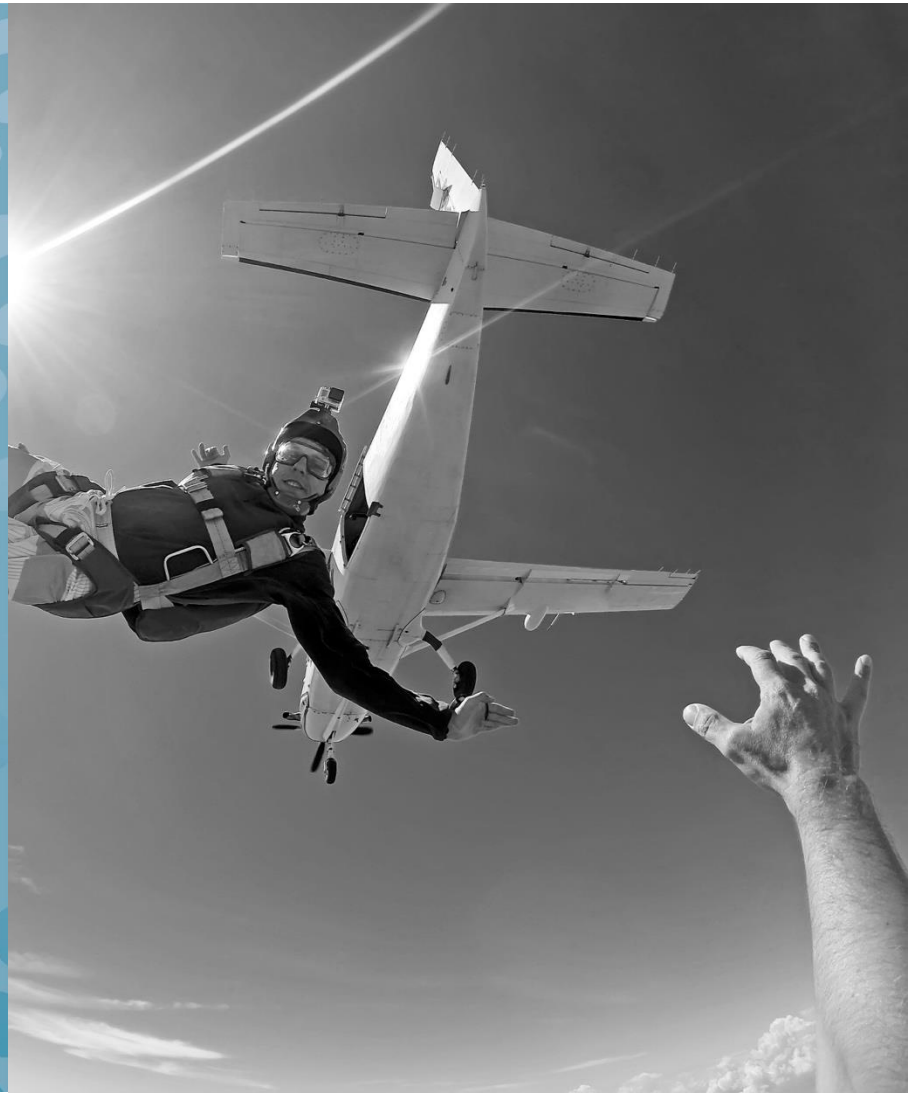


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# Chapter 4: Protecting your lifestyle (insurance) – in black & white



# Thank you



 1300 033 166

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

 [www.telstrasuper.com.au](http://www.telstrasuper.com.au)

  
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