

TODAY'S TOPIC

# Your most asked questions

Thank you for joining us.  
We will commence shortly



## **IMPORTANT NOTICE**

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.

The taxation information in the presentation is factual information only. If you require taxation advice you should consult your accountant or tax adviser.



**SUPERANNUATION**



**PENSION**



**INSURANCE**



**HOW TELSTRASUPER  
CAN ASSIST**



**INVESTMENT**



**QUESTIONS**



## SUPERANNUATION



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## What happens if I go over my limit?

### Concessional contributions (Pre-tax)



Pay tax at your marginal tax rate on the excess amount



An additional excess concessional contributions charge will also apply



You may choose to withdraw up to 85% of your excess concessional contributions from your super fund to help you pay the extra tax liability



Any excess concessional contributions you do not elect to have released will count towards your non-concessional contributions cap

# What happens if I go over my limit?

## Non-concessional contributions (Post-tax)



May be able to withdraw the excess amount and 85% of any earnings on that amount.



If you choose to release both, the earnings amount will be included in your income tax assessment and taxed at your marginal rate (the excess contribution amount will not be subject to tax).



If you choose to leave your excess contributions in your super rather than withdraw them, you will pay tax at the top marginal rate (currently 45%) plus the Medicare levy on the excess amount



## Pre-tax

(concessional contributions)

Employer contributions, salary sacrifice, personal deductible contributions, insurance premiums paid by your employer

**15% tax rate**

Annual contribution cap **\$25,000<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.



## Post-tax

(non-concessional contributions)

Contribution made from after-tax income, and spouse contributions

**0% tax on the way in**

Annual contribution cap **\$100,000<sup>†\*</sup>**

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

If your total super balance is less than \$1.4 million individuals aged under 65 may be able to make up to three years' worth of post-tax contributions (up to \$300,000) to their super in a single year.

<sup>†</sup> The concessional and non-concessional contributions cap will be indexed from 1 July 2021

<sup>\*</sup> For the 2020-21 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 \$1.6 million total superannuation balance cap. Individuals with a total superannuation balance of \$1.4 million or more are not able to utilise the full bring forward rule.

<sup>#</sup> Must be under 65 at the start of the financial year and meet other eligibility criteria.

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)



## Total super balance

Includes all superannuation funds and retirement income streams

**\$1.6 million<sup>^</sup>**

### 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 \$1.6 million at the end of the previous financial year.



## Transfer balance cap

Your transfer balance account commences on either: the day you first receive a retirement phase income stream after 1 July 2017 or 1 July 2017, if you were already receiving a retirement phase income stream on 30 June 2017.

**\$1.6 million<sup>^</sup>**

### 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.

<sup>^</sup> The total super balance and transfer balance cap will be indexed from 1 July 2021

\* 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/)





# What happens if I don't put in my notice to claim a tax deduction form in and I complete my tax return first?

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**

**What you need to know**

- You must complete and return this form by the earlier of either:
  - before the day you lodge your tax return for the year in which you made the contributions
  - before the end of the financial year following the one in which you made the contributions
- Before you can claim the deduction on your tax return, you must receive a written acknowledgment from us confirming we've received your notice of intention to claim a tax deduction.
- In order to claim a deduction on your tax return:
  - at the time of lodging this notice, TelstraSuper must hold the contributions that you wish to claim as a tax deduction and must not have begun to pay an income stream based, in whole or in part, on these contributions, and
  - TelstraSuper must continue to hold these contributions until you receive a written acknowledgment from us confirming we have received your notice of intention to claim a tax deduction.
- Certain contributions cannot be claimed as a tax deduction, including rolled over super benefits and salary-sacrificed amounts.
- If you've made a withdrawal from your account or a roll out to another super fund after making personal contributions, you can only claim a deduction up to the amount of the personal contribution remaining in your account.
- Any contributions for which you claim a tax deduction will count towards your pre-tax (concessional) contribution limit.
- Do not complete this form if you have previously notified us of your intention to claim a tax deduction and you now wish to make a variation to that previous notification. In this situation you must complete a 'Notice of intent to claim or vary a deduction for personal super contributions' form (NAT 71121) issued by the Australian Taxation Office (ATO) and send it back to us. Visit [www.ato.gov.au](http://www.ato.gov.au) to obtain this form.

**1. Your details**

Title  Mr  Mrs  Miss  Ms  Other

Surname Member number

Given name(s) Date of birth

Residential address

Suburb State Postcode

Mobile Home phone no. Business phone no.

Email address

**2. Contribution details**

Financial year ended 30 June 20

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 the earlier of either:
  - 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 part, on these contributions
- I have not included these contributions in an earlier notice
- The information given on this form is complete and correct.

Signature X Date

**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.

**We're here to help**  
If you have any questions or would like to talk to a TelstraSuper Financial Adviser, please call us on 1300 033 166.

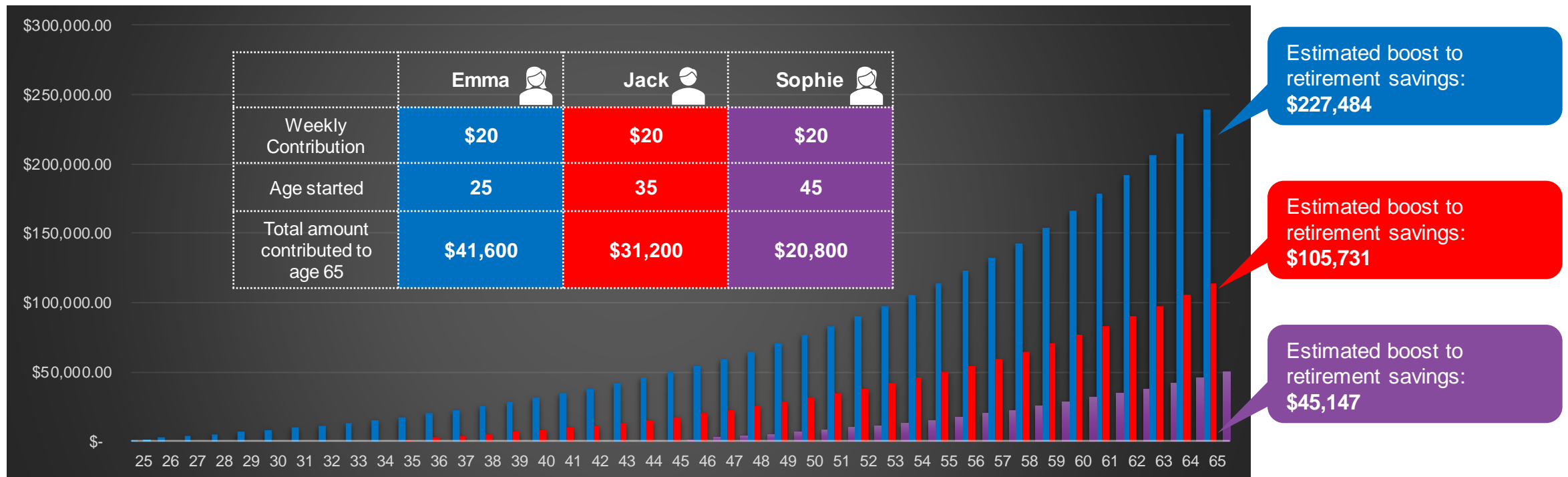
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I'm still young, why would I put in extra money into super?  
What difference would an extra \$20 a week make?



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.

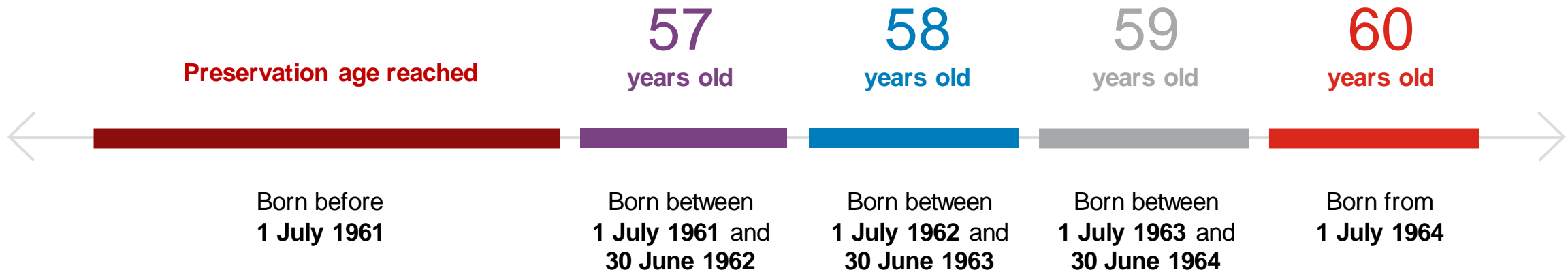
If you are considering acquiring a financial product you should obtain the relevant product disclosure statement before making any decision.

Source: <https://moneysmart.gov.au/budgeting/compound-interest-calculator>







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My neighbour was able to get money out of his super at the age of 55. Why am I only allowed at the age of 60?



 My friend was able to implement a TTR strategy where he was able to save a lot of money in tax. Why can't I do the same?

	Lump sum	Income stream
<b>Access</b>	Working 	
	Retired 	
	Age 65 	
<b>Tax</b>	Aged 57 – 59	The first <b>\$215,000 is tax free</b> and <b>15%* for any amount</b> above the low rate cap
	Aged 60+	Income payments from a retirement income stream are <b>taxable</b> <sup>#</sup>
	<b>Tax-free</b>	<b>Tax-free</b>

Source: <https://www.ato.gov.au/Individuals/Super/In-detail/Withdrawing-and-using-your-super/Withdrawing-your-super-and-paying-tax/>

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**INSURANCE**





I have Critical Illness/trauma cover, is this the same as TPD cover?



### Trauma / Critical Illness

### TPD

#### What does it cover

Trauma insurance, also called 'critical illness' or 'recovery insurance' pays a lump sum amount if you suffer a critical illness or serious injury. This includes cancer, a heart condition, major head injury or stroke. Trauma insurance does not cover mental health conditions.

Total & Permanent Disablement (TPD) insurance is offered through the Fund and pays a lump sum if you become totally and permanently disabled because of sickness or accident.

#### Ownership

Personal name

Superannuation/Personal name

#### Where can I get help?

Comprehensive Advice Team at TelstraSuper Financial Planning, **phone 1300 033 166 to arrange an appointment.**

Limited Advice Team at TelstraSuper, **phone 1300 033 166 to arrange an appointment.**

 What is the minimum requirements of the Fund to ensure my existing insurance is kept in place?



**Account Balance <  
\$6,000 and  
Age < 25**

Must **opt in** within 120  
days of commencing  
employment



**No contribution or transfer in  
the previous 16 months**

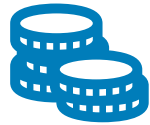
Insurance will be cancelled unless  
you **elect for cover to be  
maintained**



**Sufficient balance to  
cover ongoing  
insurance premiums  
and fees**



Does TS have a benefit period to age 65 for income protection?



### Income Protection Insurance

Default benefit period: **2 years**

Members can apply to increase it to **5 years**



### Total and Permanent Disablement (TPD) Cover

Members may be able to apply if became permanently unable to work due to sickness or an accident.





## INVESTMENT





Is there any way you can notify members about your projection on the outlook of the world markets/economy?



**Monthly market updates**  
on TelstraSuper website\*



**Simple advice on how to invest  
your TelstraSuper**  
(excluding the Direct Access  
option) over the phone

**1300 033 166**  
8.30am and 5:30pm  
(Melbourne time)  
Monday to Friday

\*Refer to [www.telstrasuper.com.au/investments/market-updates](http://www.telstrasuper.com.au/investments/market-updates)



How can I ensure that my investment returns remain positive, even if cash markets produce negative returns?

Investment Option	Growth / Defensive assets	Investment objective CPI	Risk of negative return	Suggested investment timeframe
<b>Growth</b>	87.5 / 12.5%	+ 3.5% pa	4 - 6 years in 20	7 – 10 years
<b>Balanced</b>	71.5 / 28.5%	+ 3% pa	4 - 6 years in 20	5 – 10 years
<b>Diversified Income</b>	54.5% / 45.5%	+ 2%pa	3 - 4 years in 20	4 – 6 years
<b>Defensive Growth</b>	54.5% / 45.5%	+ 2% pa	3 - 4 years in 20	4 – 6 years
<b>Conservative</b>	35 / 65%	+ 1.5% 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	3 - 4 years in 20	5 - 7 years
<b>Fixed interest</b>	0 / 100%	Outperform CPI	2 - 3 years in 20	4 - 6 years
<b>Cash*</b>	0 / 100%	Refer footnote*	Less than 0.5 years in 20	0 - 2 years

\*The Cash option's investment objective is to outperform the Bloomberg AusBond Bank Bill Index, on a pre-tax basis. 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 1 March 2021

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## PENSION





Why is there a minimum drawdown amount? I want to be able to leave it within my pension fund for as long as possible.



**Sole purpose test:** superannuation, and the generous tax concessions it receives, is designed to provide retirement income over a term of your life expectancy. It's not designed as a tax-effective way to transfer wealth to the next generation.

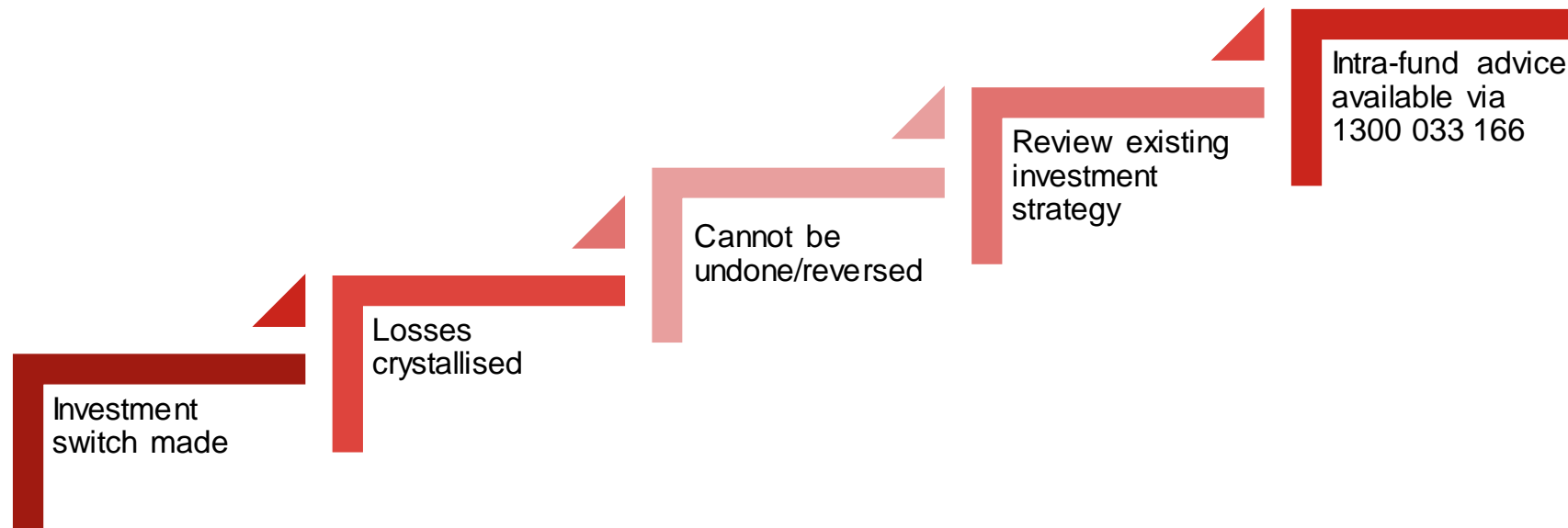


**How long your account-based pension lasts depends on:**


- The amount of super you transfer to your pension account
- How much you take in payments each year
- Super investment earnings
- How much you pay in fees

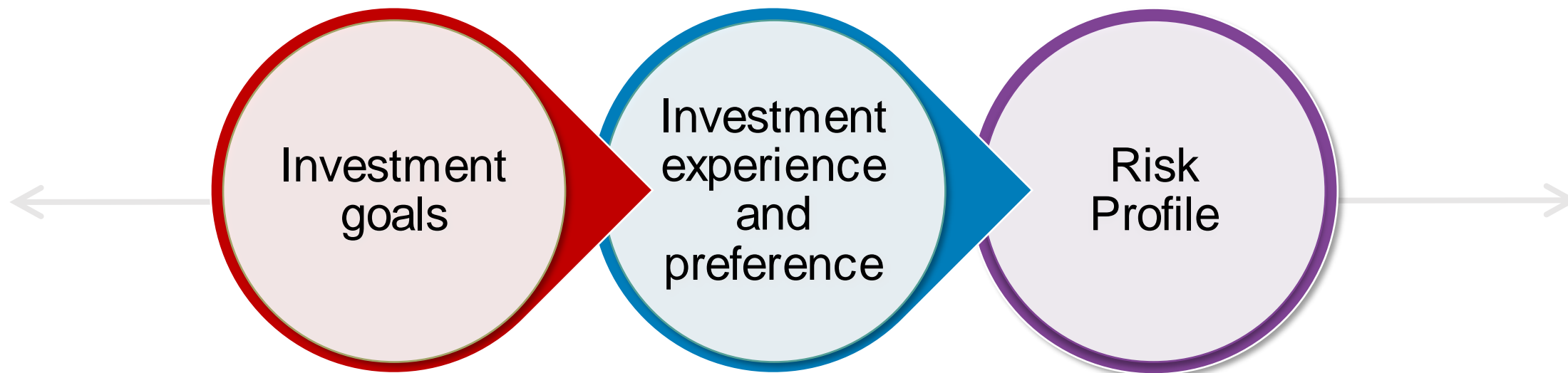


I've lost a lot of money in my pension account by switching my investment options many times. What should I be doing to claw back some losses?

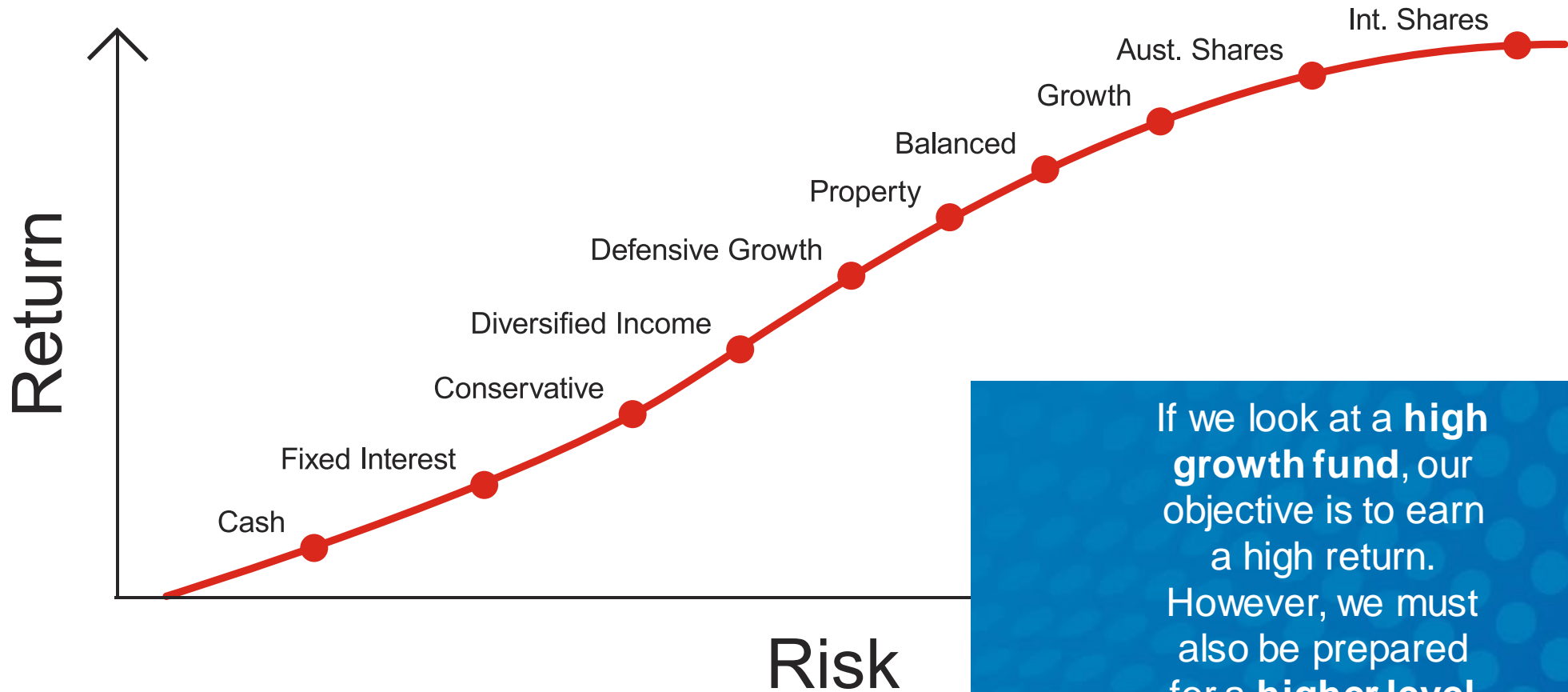


TelstraSuper Financial Planning has a team of phone-based Advisers who can provide you with simple advice in your TelstraSuper investment strategy. There's no additional cost for our phone-based advice as this is included in your TelstraSuper membership. You can contact us on 1300 033 166 or request an appointment with our online contact form. Telstra Super Financial Planning Pty Ltd (TSFP) AFSL 218705– which is wholly owned by Telstra Super Pty Ltd (TSPL).

 What should I be invested in as a pensioner? What is everyone else doing because this is the only asset I have?



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If we look at a **high growth fund**, our objective is to earn a high return. However, we must also be prepared for a **higher level of volatility**.

Source: TelstraSuper Investment Guide 1 March 2021

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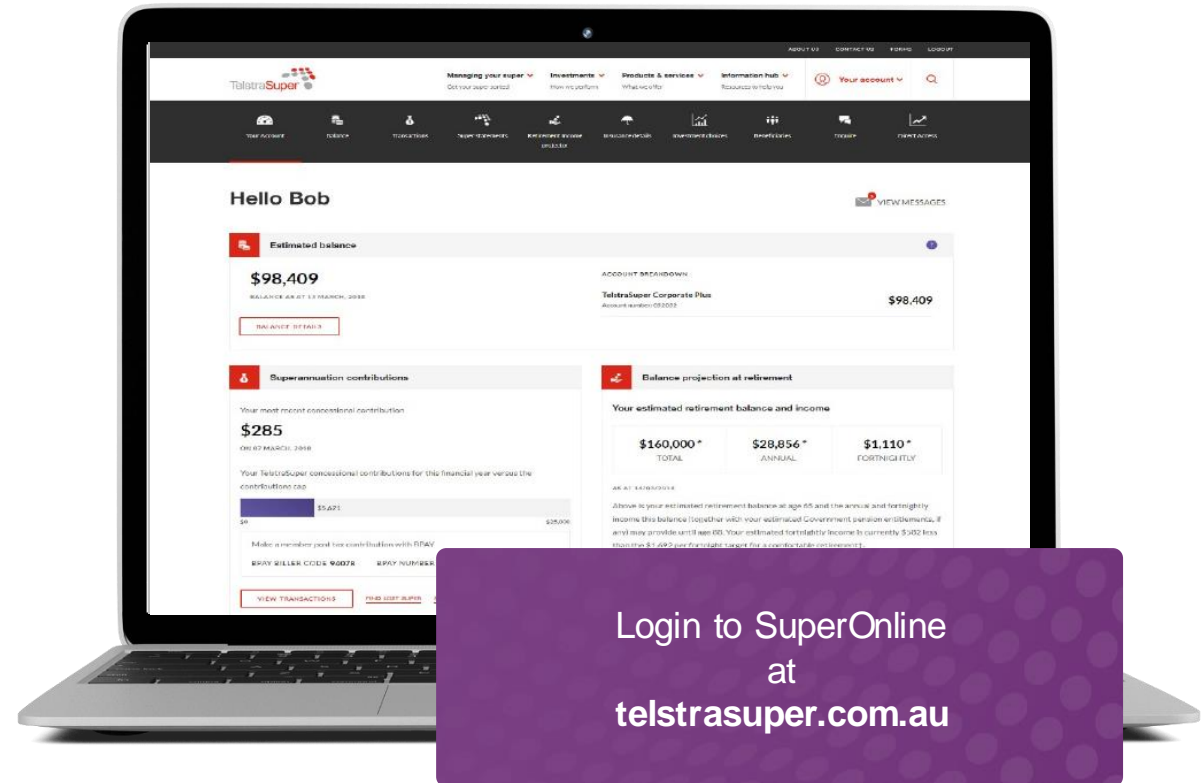
## HOW TELSTRASUPER CAN ASSIST



# SuperOnline



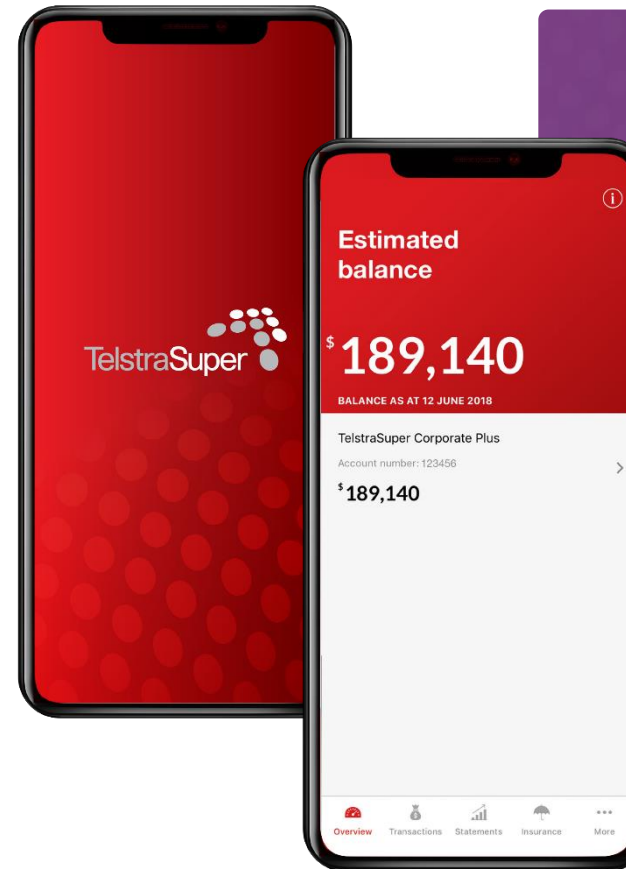
- ✓ Update your email address and personal details
- ✓ Check your account balance
- ✓ Review your insurance cover
- ✓ View your nominated beneficiaries
- ✓ Make a non-binding nomination
- ✓ Review your investment options
- ✓ Pre-tax contributions against the concessional contributions cap
- ✓ Benefit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



# TelstraSuper app



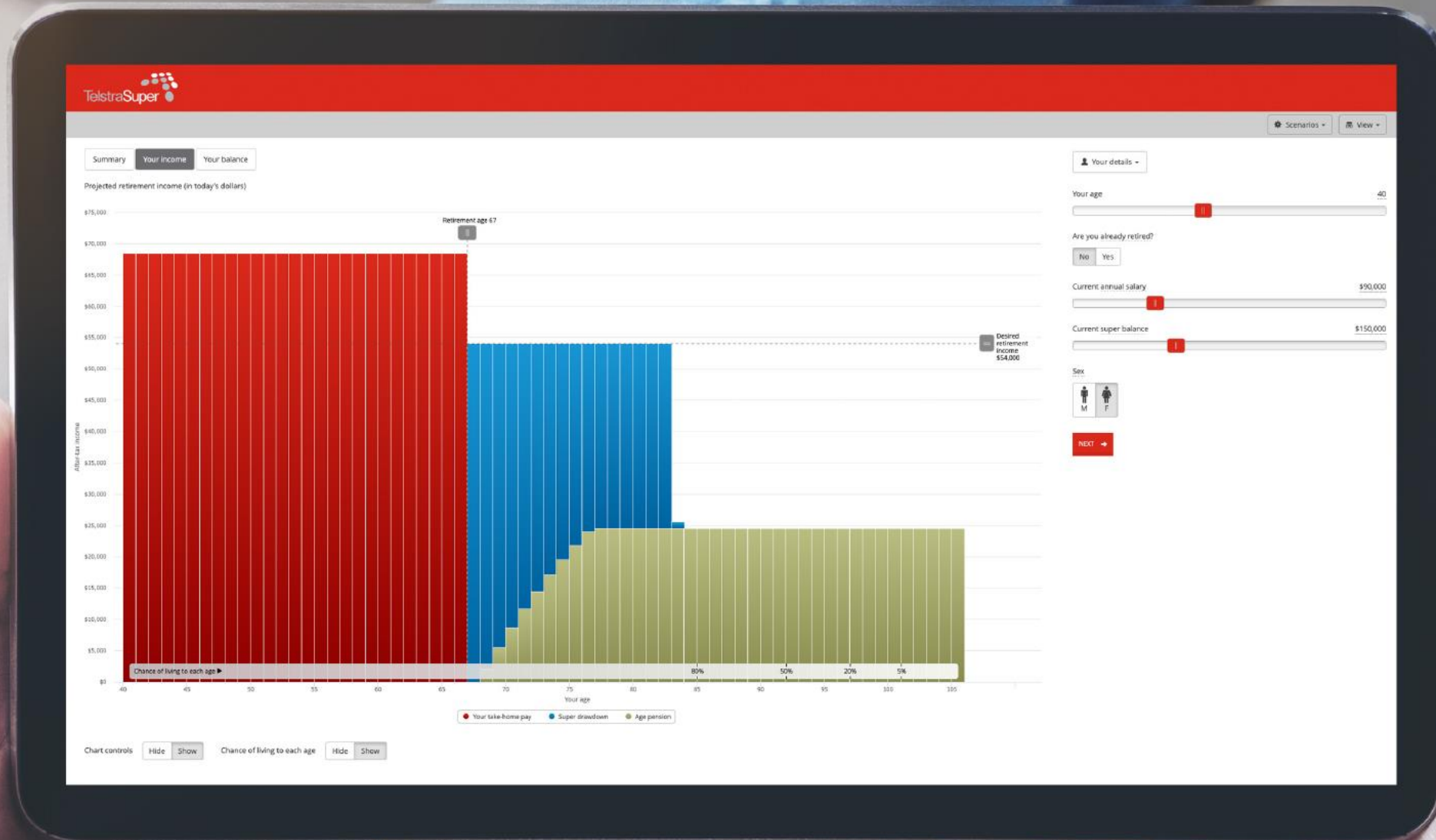
- ✓ Estimated account balance
- ✓ Investment options, allocation of units and investment returns
- ✓ Latest contributions
- ✓ Pre-tax contributions against the concessional contributions cap
- ✓ Benefit statements
- ✓ Insurance cover
- ✓ Transactions
- ✓ Digital Member Card
- ✓ Contact TelstraSuper



Available on  
**Android**  
and **Apple**  
**iOS.**

HOW TELSTRASUPER CAN ASSIST

# Retirement projector



# Financial advice



## General and simple advice

- General and simple personal advice over the phone about your TelstraSuper account including contributions, investment options and insurance cover through TelstraSuper.
- Provided at no additional cost as part of your membership.

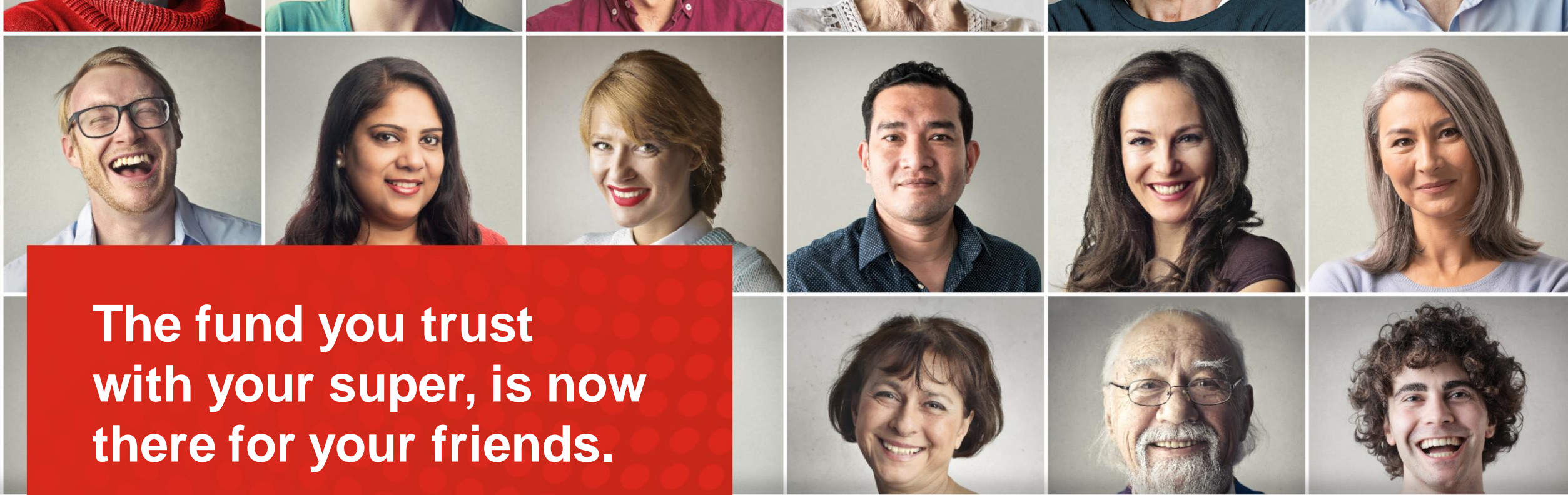


## Comprehensive financial advice

- Comprehensive personal advice available on a one-off or on-going basis. An advice fee applies.
- Ongoing advice service is available at a competitive price.
- Video meetings available.

General, simple and comprehensive advice is provided by Telstra Super Financial Planning Pty Ltd (TSFP) AFSL 218705 – which is wholly owned by Telstra Super Pty Ltd (TSPL).

Refer to the TSFP Financial Services Guide (FSG) dated 1 December 2020 for important information about the services.



**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](http://telstrasuper.com.au)**

