




“Maximising your Super”

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What does Superannuation mean to YOU?

- Different Ideas / Attitudes
- Primary Retirement Savings Vehicle for many people
- Many Legislative Changes
- All too difficult or complex



Why should you have Superannuation?

- Tax Advantages
- Longer Life expectancies and early retirement
- Compulsory – superannuation guarantee charge



How can you maximise your Superannuation savings?

- Superannuation is YOUR money
- Consolidate your super
- Contribute your own money to super
- Consider your investment options
- Minimise your costs



Consolidate your Super

- Benefits
 - You only pay one set of fees
 - Less paperwork
 - You can have control over your investment strategy
 - Your super is easy to locate



Consolidate your Super

- How to consolidate your Super
 - Gather together all your most recent Superannuation statements
 - If you cannot locate all your statements, contact your previous employer(s)
 - Decide which Super fund to invest in
 - Consolidate your super



Contribute your own money to Super

- Salary Sacrifice contributions (pre-tax)
- Undeducted contributions (after-tax)
- Spouse Contributions



Salary Sacrifice Contributions (pre-tax)

- Pre-tax contributions in lieu of gross salary
- Can result in reduction in tax paid
- More money invested in retirement



Undeducted Contributions (after tax)

- Contributions made from after-tax salary
- No contribution tax deducted when invested in the Super fund
- No tax payable when receiving benefit
- May be eligible for the Government Super Co-contribution



Government Super Co-Contribution

- Co-contribution of \$1.50 for each \$1 you contribute, max \$1,500.
- Contributions must be from after-tax income.
- Full co-contribution if adjusted taxable income less than \$28,000.
- Reduction in co-contribution between \$28,000 and \$58,000.
- Automatically allocated to your super.

Super Co-Contributions Table

And your income is:	If your personal super contribution is:			
	\$1,000	\$800	\$500	\$200
	Your Super Co-contribution will be:			
\$28,000 or less	\$1,500	\$1,200	\$750	\$300
\$30,000	\$1,400	\$1,200	\$750	\$300
\$34,000	\$1,200	\$1,200	\$750	\$300
\$36,000	\$1,100	\$1,100	\$750	\$300
\$42,000	\$800	\$800	\$750	\$300
\$44,000	\$700	\$700	\$700	\$300
\$52,000	\$300	\$300	\$300	\$300
\$54,000	\$200	\$200	\$200	\$200
\$58,000	\$0	\$0	\$0	\$0

After Tax vs. Salary Sacrifice, Gross Income \$28,000, Super Contributions \$3,000

	Contribute to Super (after-tax)	Contribute to Super (Salary Sacrifice)
Gross Income	28,000	28,000
Salary Sacrifice Amount	0	-3,000
Adjusted Gross Income	28,000	25,000
Less Tax and Medicare	-4,992	-4,047
Net Income	23,008	20,953
After-tax super contribution	3,000	0
Final Net Income	20,008	20,953
Gross Amount into super	3,000	3,000
Government co-contribution	1,500	0
Less contribution tax	0	-450
Net amount into super	4,500	2,550
Value achieved		
Final Net Income	20,008	20,953
Net amount into super	4,500	2,550
Total Net Income	24,508	23,503

After Tax vs. Salary Sacrifice, Gross Income \$58,000, Super Contributions \$3,000

	Contribute to Super (after-tax)	Contribute to Super (Salary Sacrifice)
Gross Income	58,000	58,000
Salary Sacrifice Amount	0	-3,000
Adjusted Gross Income	58,000	55,000
Less Tax and Medicare	-14,442	-13,497
Net Income	43,558	41,503
After-tax super contribution	3,000	0
Final Net Income	40,558	41,503
Gross Amount into super	3,000	3,000
Government co-contribution	0	0
Less contribution tax	0	-450
Net amount into super	3,000	2,550
Value achieved		
Final Net Income	40,558	41,503
Net amount into super	3,000	2,550
Total Net Income	43,558	44,053

After Tax vs. Salary Sacrifice, Gross Income \$90,000, Super Contributions \$3,000

	Contribute to Super (after-tax)	Contribute to Super (Salary Sacrifice)
Gross Income	90,000	90,000
Salary Sacrifice Amount	0	-3,000
Adjusted Gross Income	90,000	87,000
Less Tax and Medicare	-29,362	-27,907
Net Income	60,638	59,093
After-tax super contribution	3,000	0
Final Net Income	57,638	59,093
Gross Amount into super	3,000	3,000
Government co-contribution	0	0
Less contribution tax	0	-450
Net amount into super	3,000	2,550
Value achieved		
Final Net Income	57,638	59,093
Net amount into super	3,000	2,550
Total Net Income	60,638	61,643



Consider your investment options

- Generally two categories of Investment Options
- Asset Sector Investment Options
- Diversified Investment Options



Asset Sectors Investment Options

- Growth Assets
 - Australian Shares
 - International Shares
 - Property Securities
- Income Assets
 - Australian Fixed Interest
 - International Fixed Interest
 - Cash



Diversified Investment Options

- Allows you to invest in a pre-mixed selection of Asset Sectors
- Options include:
 - Capital Secure (all income assets and no negative returns)
 - Capital Stable (mostly income assets and some growth assets)
 - Balanced (mostly growth assets and some income assets)
 - Growth (a large majority of growth assets and a small percentage of income assets)



Diversified Investment Options

- The more aggressive the asset allocation the greater the risk!



Minimise your Costs

- Compare fees like for like between Superannuation Funds



Summary

- 1. Consolidate your super
- 2. Contribute your own money to super
- 3. Consider your investment options
- 4. Minimise your costs



Questions ?
