



Employer news

March 2011

Stronger Super – what’s the latest?

In December 2010, the Federal Government released the ‘Stronger Super’ report which outlined some of the measures under consideration to help strengthen Australia’s super system. Some of the key measures in the Stronger Super report and how you may be affected are summarised below.

Although many of the Stronger Super measures are yet to be legislated, two of the key measures which have the potential to affect CareSuper employers are:

- SuperStream, and
- MySuper.

What’s SuperStream and what does it mean for you?

SuperStream is a group of measures to improve how the ‘back office’ of super is handled. These measures are designed to improve the efficiency of the entire super industry by making super systems more straightforward to administer.

Some of the key changes that have been proposed include making it compulsory for employers to:

- pay contributions electronically, and
- show super contribution amounts on employees’ payslips.

When will SuperStream be implemented?

At this stage, there’s no definite implementation date for the SuperStream measures. The Federal Government has proposed that various measures will be phased in gradually over the next few years, with most of the measures to be implemented by 1 July 2015.

How will the SuperStream measures affect employers?

If the key SuperStream measures are adopted by the Government, employers who are currently paying super contributions manually will need to start looking at an electronic option in order to

comply with the proposed changes. Employers may also need to update their payroll systems to display their employees’ super details on their payslips, if they are not already doing so.

What is MySuper and what does it mean for you?

MySuper is a simple, low-cost super product that is likely to be introduced as a replacement for existing default super funds. The aim of MySuper is to make it easier for employers and members to compare how their super fund is performing against other funds. Once MySuper has been introduced, choosing a new super fund will be more straightforward.

The Government has proposed a list of key features that a MySuper fund must have, such as a single investment strategy and no entry or commission fees.

➔ Continued on page 2...



CareSuper’s Balanced option continues to deliver strong long-term returns

The investment returns of CareSuper’s Balanced (default) option for the six months to 31 December 2010 are now available. Once again, we’ve delivered excellent returns for our members.

Our Balanced option’s investment performance continues to out-rank industry benchmarks across 1, 3, 5 and 10 years:

Balanced option returns (after fees and taxes) to 31 December 2010	Year to date (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)
CareSuper Balanced option	7.65	6.23	-1.06	4.28	6.60
Median Balanced option*	7.04	4.57	-1.97	3.01	5.14

* Source: SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index, December 2010. CareSuper’s 3, 5 and 10 year returns are compounded per year. Please note that past performance is not necessarily an indicator of future performance.

i To find out more, check out our website at caresuper.com.au for up-to-date information about our range of investment option returns.

→ Continued from page 1...

When will MySuper be implemented?

Super funds will be able to offer a MySuper product from 1 July 2013 onwards.

How will the MySuper measures affect employers?

Once the MySuper changes are in place, employers will need to make sure that the default super fund available for their staff is a MySuper product. MySuper products will not be able to charge commissions, so you may wish to rethink your super offering if you currently pay them.

If CareSuper is currently your default super fund, you won't be affected by this change, because our fees do not include commissions. And because we'll be offering a MySuper product, your business can transition smoothly across to MySuper.

i To find out more, look out for our regular publications – we'll keep you updated with the latest information and let you know when the Stronger Super measures will be implemented, so you can make sure your business continues to meet its super obligations.

super updates

Too much super can mean extra tax for your employees

While there's no limit to the amount you can contribute to your employees' super, there is a limit to the amount of concessional (before-tax) contributions they can receive without incurring additional tax.

Concessional contributions include the 9% super guarantee contributions you make for your employees, plus salary sacrifice

contributions as well as any additional before-tax employer contributions your employees receive as a result of their employment.

The table below shows the Federal Government concessional contributions caps that apply for the 2010/11 financial year, as well as the tax rate payable for contributions under and over the cap:

Age	Concessional contribution cap	Tax payable on contributions under the cap	Additional tax payable on contributions over the cap
Under 50 years	\$25,000	15%	31.5%*
50 years or over	\$50,000	15%	31.5%*

* This is in addition to the 15% contributions tax applied when the contribution is made (i.e. making a total tax rate of 46.5%).

If you notice that some of your employees are approaching their concessional contributions cap, remind them to contact CareSuper on **1300 360 149** for information on how they can keep growing their retirement savings in a tax-effective way.



what's new?

To make sure that your super contributions are processed efficiently, all CareSuper employers will now receive a contribution return form every month.

If you're already receiving a regular contribution return form, then you can keep making contributions in the same way. But if you weren't receiving a contribution return form from us before, all you need to do in future is complete the form and return it to us with your contributions every month.

If you're using EmployerOnline to make your employees' contributions, you won't receive the form.

Need help?

Simply call the CareSuperLine on **1300 360 149** from 8am to 8pm Monday to Friday (AEST), or email us at admin@caresuper.com.au.

Information for CareSuper employers affected by recent natural disasters

Helping our employers

Recent natural disasters around the country have had a major impact on many Australians. If your business has been affected and you'd like to speak to us for super-related help, please contact your Client Partnership Manager or call the CareSuperLine on **1300 360 149**.

Government assistance is also available

If your business has been affected and you're having difficulty meeting your super guarantee obligations, the Australian Taxation Office (ATO) has measures in place to help you meet your obligations.

To find more, visit the ATO's website at ato.gov.au/businesses.

State Government departments also have varying forms of support available for businesses impacted by natural disasters.

For example, the Queensland Government is offering low-interest loans for businesses affected by Tropical Cyclone Yasi, while the NSW, Victorian and Western Australian Governments also have various grants and loans available to businesses who suffered damage as a result of recent storms and floods.

To find out more about the Government relief available, visit the business.gov.au/Recovery website, which lists the emergency relief and assistance programs available to businesses in each state and territory.

Helping our members

CareSuper members affected by natural disasters who need urgent help may be able to access part of their super on financial hardship or compassionate grounds, subject to strict eligibility criteria set by the Government.

We'll do as much as we can to fast-track payments to flood-affected members by prioritising their requests and processing claims quickly and simply.



Please encourage your employees who need help to call us on **1300 360 149**.

CARE Super Pty Ltd (Trustee) ABN 91 006 670 060 AFSL 235226. CARE Super (Fund) ABN 98 172 275 725.

Disclaimer: The information in this newsletter is correct at the time of printing and the topics discussed are only outlined. The information provided is of a general nature and does not take into account your personal objectives, situation or needs. You need to assess your own situation, read the Product Disclosure Statement and if necessary seek professional advice. The services and products mentioned in this newsletter are subject to Australian law, which may change from time to time. Further information may be obtained from the CareSuper website at caresuper.com.au, CareSuperLine on **1300 360 149** or contact your CareSuper Client Partnership Manager.

Contact us

CareSuper
GPO Box 1923
Melbourne Vic 3001
Email admin@caresuper.com.au

If you would like your CareSuper Client Partnership Manager to visit your organisation, please call one of our offices listed below:

CareSuper VIC
Darren Hawthorne (VIC/WA)
Wayne Gates (VIC/TAS)
Michelle Mihalic (VIC/SA)
Tel (03) 8623 0700

CareSuper NSW
Mark Patman (NSW/ACT)
John Affleck (NSW)
Justine Young (NSW)
Tel (02) 8227 5000

CareSuper QLD/NT
Rob Wilson
Tel (07) 3831 1267