

Employer Guide



helping you
manage your
super easily



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Checklist – what to do!

1. Read this guide in conjunction with the **Member Guide Product Disclosure Statement (PDS)** to help you understand your super obligations
2. Provide employees with copies of the **CareSuper Member Guide PDS**
3. Go to caresuper.com.au and select **Employers** to join CareSuper online. It's free!

Award-winning fund

CareSuper has consistently achieved top ratings by independent agencies for our super and pension products. Visit caresuper.com.au to find out more about these awards.



The scores used by Chant West to derive the ratings are subjective scores that have been awarded based on data (including historical financial performance information) supplied by third parties. While such information is believed to be accurate, Chant West does not accept responsibility for any inaccuracy in such data. Past performance is not a reliable indicator of future performance. The Chant West rating does not constitute financial product advice. However to the extent that the information may be considered to be general financial product advice then Chant West warns that: (a) Chant West has not considered any individual's objectives, financial situation or particular needs; and (b) individuals need to consider whether the advice is appropriate in light of their goals, objectives and current situation.

CareSuper facts and figures

At a glance

- Established in 1986
- Over 198,000 members
- Over 48,000 participating employers
- Over \$4.6 billion in funds under management
- Low fees
- Consistent investment performance
- Exists only to profit members

Figures as at 30 June 2011.

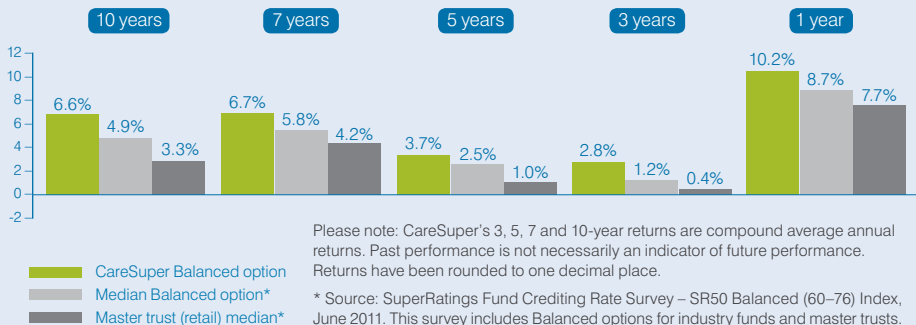
Investment returns (after tax and fees) to 30 June 2011

	1 year (%)	3 years (% p.a.)	5 years (% p.a.)
Capital Guaranteed	3.3	3.3	4.7
Capital Stable	7.7	4.7	4.5
Conservative Balanced	8.5	4.3	4.1
Balanced	10.2	2.8	3.7
Sustainable Balanced	9.1	2.4	2.3
Alternative Growth	10.9	3.8	3.9
Growth	10.1	2.9	2.8
Capital Secure	4.9	4.0	4.4
Fixed Interest	7.0	7.4	6.1
Direct Property	8.6	0.0	4.1
Australian Shares	11.6	2.3	3.1
Overseas Shares	8.1	2.6	-0.3

Please note: past performance is not necessarily an indicator of future performance. Returns have been rounded to one decimal place. CareSuper's 3 and 5 year returns are compound average annual returns.

Top returns from an award-winning fund

Compare CareSuper's Balanced option with the median Balanced option and the master trust (retail) median over a range of timeframes.



Choice of fund

Most Australian employees are able to choose the fund into which their future Superannuation Guarantee (SG) contributions are paid – regardless of the fund you've chosen as your business' default fund.

Did you know?

As an employer, you need to:

- Determine whether some or all of your employees are eligible for Choice of Fund
- Nominate a default fund (or funds if necessary for different groups of employees)
- Provide eligible employees with a Standard Choice form
- Maintain records showing your compliance with the legislation.

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Information helpline

Call the CareSuperLine on **1300 360 149** for an Employer Choice Kit or, for assistance, contact a Client Partnership Manager (see the back cover for your state office contact details).

Does choice of fund apply?

To ascertain whether your employees are eligible to choose their fund, you will need to determine what governs the terms and conditions of their employment. In some businesses you will need to consider this for different groups of employees or even for individual employees separately.

Generally, Choice of Fund legislation applies to employment:

- under federal awards
- under former state awards now known as 'notional agreement preserving state awards' (NAPSA)
- covered by other award or agreement that doesn't require superannuation support, or
- not employed under any state award or industrial agreement (including contractors paid principally for their labour).

However, Choice of Fund legislation is not applicable for staff whose employment is covered by:

- an award
- state industrial agreement, or
- federal industrial agreement such as an Australian workplace agreement (AWA), a certified agreement (CA) or a preserved state agreement.

Other circumstances where choice will not apply include where staff are involved in defined benefit funds or in certain public sector funds.

Choosing a default fund

Employees do not have to choose their own superannuation fund, even if they are eligible to choose. If they do not advise you of a chosen fund, you should pay contributions to the fund you have chosen as your employer (or default) fund. Your default employer fund must be a complying fund offering at least the minimum level of insurance arrangements, such as CareSuper.



*it's important to make
the right choice*

If your employees are covered by a federal award or former state award (NAPSA), you should refer to the relevant award as its provisions may determine the fund/s that you will need to nominate. Some awards already allow for payments to be made to several funds or a fund that has been agreed.

If an employee does not exercise choice, the fund nominated in the NAPSA becomes the default fund.

You may need to select different employer (default) funds for different segments of your workforce, depending on what determines their conditions of employment.

We have provided some tips for choosing a default fund on the next page.

Standard Choice form

Employers are required to provide eligible employees with a Standard Choice form within 28 days in the following circumstances:

- When an employee commences work with your business
- For existing employees who are eligible for Choice, following a request for a form
- Upon request by an employee – while employees can choose a fund at any time, you only have to accept one Standard Choice form from an employee in a 12-month period, although you have the discretion to do so more often
- When you become aware that a chosen fund is no longer an eligible choice fund
- Where the employee is a member of your default fund and you change your chosen default fund.

Standard Choice forms are available for download from CareSuper's website or by calling the CareSuperLine. They are also available from the ATO.

If an employee chooses a fund other than the default fund, you must commence paying into that fund, provided it is a complying eligible choice fund or regulated self-managed super fund, within two months of receiving the notification. The responsibility for transferring any existing funds into the new account rests with the employee.

Insurance

CareSuper not only provides the appropriate levels of insurance to meet the requirements of an employer default fund but offers competitive premiums and levels of cover. See pages 16 and 17.

Record keeping

Employers are required to maintain records for 5 years, showing their compliance with Choice of Fund legislation. Records should include:

- Who is eligible and ineligible for Choice
- Which default funds apply to which employees or groups of employees
- The dates Standard Choice forms were issued and to whom
- Method in which the form was issued
- Dates on which forms have been returned (where applicable)
- For each employee who makes a choice, the name of the fund nominated
- Confirmation that the funds nominated are complying funds (you will need a letter of compliance from the fund)
- If they are not complying funds, dates on which you advised the relevant employees
- The date on which the first contribution was paid in accordance with the employee's request.

For further information, contact the CareSuperLine or the ATO.



Choice of fund (continued)



Tips for choosing a default fund

As an employer, if you need to choose a default fund, you need to balance what works for your business with the needs of your employees. Consider the following points when choosing your default fund.

Employer benefits

Compliance – The first thing you should check is that your chosen fund is a complying super fund. In order to meet your superannuation guarantee obligations, the fund you contribute to must be a complying fund.

Administration – Does the fund offer you a suitable method of submitting payments and contribution records? Do they have an online service so that you can manage your details easily?

Service – What assistance does the fund offer to help you stay up-to-date with your super obligations? How do they make themselves available to you?

Member benefits

Insurance – Compare the premiums and levels of cover available, particularly any automatic cover that would allow employees with existing medical conditions to be accepted.

Investment options – Ensure there are sufficient investment options to give your employees the choice of matching their preferences and risk profile.

Easy communication – Can members access their account details online or via a dedicated call centre?

Fees and costs – Fees can have a major impact on a final superannuation benefit. When you compare fees, make sure you are comparing funds with similar benefits and investment strategies.

Investment performance – No one can reliably pick which fund will perform best every year. Check your fund's investment strategy. If you are comparing performance, take a long-term view – no less than 5 years – and ensure you understand whether the results include tax, fees and costs. Remember, a fund that has performed well in the past will not necessarily continue to do so in the future.

Fund services – Some funds offer access to a range of additional services, including educational information, commission-free financial planning advice, non-super investments and pension products, competitive health insurance and banking products.

Independent comparison

If you would like help comparing funds, SuperRatings provides an independent comparison of over 100 super funds. You can compare CareSuper for free using RateMySuper* available at ratemysuper.com.au/CareSuper.

* Information provided by RateMySuper is from a third party source. While it is believed to be reliable, no responsibility for errors or omissions is accepted by CARE Super Pty Ltd. RateMySuper is a product of SuperRatings Pty Ltd ABN 95 100 192 283.

Let us do more for you

Whether you choose to make CareSuper your default fund or become a participating employer, you can expect quality products, service and administration. Any employees who choose CareSuper membership will also be well cared for.

Taking care of employers

We understand that you need to focus on managing your business, so we try to make managing your super as simple and time-effective as possible.

For everyday management and administration of your super obligations we offer access to:

- EmployerOnline, our secure web-based administration system,
- A number of payment options to suit your business,
- A clearing house solution* that can simplify your payments to multiple super funds,
- A specialist administration team, and
- Professional customer service staff available from Monday to Friday 8am to 8pm (EST).

For more complex matters, CareSuper participating employers have a dedicated Client Partnership Manager (CPM) who is available to visit your workplace to assist you and your employees. Simply call the CareSuperLine to be put in touch with the appropriate CPM or refer to the back cover for your state office contact details.

* Please note that the clearing house solution is offered through a third party. Fees may apply if you choose to use this solution.

No fees for employers

CareSuper does not charge any fees for the contribution services and administration support we provide your organisation as a

participating employer. Your only payments are the contributions you make for your employees. Information on fees for members is available in the CareSuper Member Guide PDS, available at caresuper.com.au/PDS.

Strong investment performance

CareSuper's investment strategy has been carefully designed to provide consistent returns for members. Its Balanced option (the default option) has averaged a healthy 6.6% (net of fees) over the 10 years to 30 June 2011 and has consistently produced returns that have outperformed the average balanced superannuation fund. Please note that past performance is not necessarily an indication of future performance.

Our product range

In addition to our employer-sponsored superannuation fund, CareSuper offers a Personal Plan superannuation fund suitable for the self-employed, spouses, children over 16 and other people who do not meet the eligibility requirements for our employer-sponsored fund.

We also offer a CareSuper Pension and Transition to Retirement Pension so that members who are nearing or entering retirement can continue to enjoy the benefits of CareSuper membership.

➔ More information on the Personal Plan and pension products can be found on our website or by requesting the relevant PDS from the CareSuperLine.



Let us do more for you (continued)

Financial planning*

CareSuper members have access to fee-for-service financial advice from qualified financial planners who are not paid commissions. Super-related advice is also provided to members by a qualified financial planner over the telephone at no extra cost. Full details are provided in the **Member Guide PDS** and at caresuper.com.au.

Education

To help your staff understand super and to keep them up to date with relevant changes, our Client Partnership Managers and/or a qualified financial planner can present free, tailored workplace education seminars to your staff.

Corporate insurance arrangements

For large employers whose workforce meets certain eligibility criteria, CareSuper can negotiate preferable insurance offerings, helping to position your business as an employer of choice.

Closing your corporate fund?

If you've decided to close your corporate fund, CareSuper can manage the transition for you. If you move your fund to CareSuper, we can arrange the transfer and audit of data, advise on the most appropriate transfer of existing investments, organise corporate insurance and keep your staff informed. All with minimal disruption to your business.



Did you know?

Answering questions or giving advice on super can be risky if you are not qualified. We have qualified staff to help keep you out of trouble.

* Financial Planning is offered through CareSuper's relationship with Industry Fund Financial Planning, a division of Industry Fund Services Pty Ltd (IFS), ABN 54 007 016 195, AFSL 232514. Advice is provided under the authority of the IFS licence.

Keeping you and your employees informed

Communicating with you

In addition to this Employer Guide, CareSuper will provide you with:

- **Employer News** – a regular newsletter distributed to employers to assist with the administration of superannuation and advise you of any changes to superannuation or the fund that may affect you and your employees
- An annual **Employer Report**.

You can also access more information at your convenience from caresuper.com.au and the CareSuperLine is available from Monday to Friday, 8am to 8pm (EST).

Communicating with your employees

CareSuper is committed to educating members about super. On joining and/or at regular intervals throughout the year each member will receive:

- A **welcome letter** and membership card
- A **welcome SMS** (if we have their mobile phone number)
- An annual **Member statement** showing their benefits at 30 June
- An annual **Member Report**, available online at caresuper.com.au
- A newsletter, **InTouch** – to update them on the issues that affect CareSuper and super generally
- **Email newsletters** (if we have their email address)
- **Exit statements***

Members can check their account balance and update some details via our secure online facility MemberOnline available through caresuper.com.au.

Members can also get help from our customer service consultants on the CareSuperLine and they have access to qualified financial planners, information sessions and presentations, brochures, information guides and our easy-to-use website.

* CareSuper is not obliged to notify or give an exit statement to a non-resident in circumstances where the Trustee pays unclaimed super to the Commissioner of Taxation under Division 3 of Part A of the *Superannuation (Unclaimed Money and Lost Members) Act 1999*. Information is available on request.

New employees

CareSuper recommends that you keep a supply of **Member Guides** to hand to new employees interested in joining CareSuper. You can order copies from caresuper.com.au or by calling the CareSuperLine on **1300 360 149**.

New employees can join CareSuper online too. All they need to do is visit caresuper.com.au and click on the join button, and in less than 10 minutes they'll be a member. They can also nominate beneficiaries, make an investment choice and get a completed **Transfer your super** form to download to send to us, at the same time.



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As a participating employer of CareSuper, you will have a dedicated Client Partnership Manager to support your business in all its super needs.

To find out more contact the CareSuperLine on **1300 360 149**.

Becoming a participating employer

It's easy. Just read the Employer Guide and join online in one simple step.

Join CareSuper through EmployerOnline

To become a participating employer, simply go to our website at caresuper.com.au, click on 'Employers' in the login section situated at the top right-hand corner, and select the 'join now' button.

The joining process requires you to enter your company name and ABN, email address and other key details about your business.

Once you join CareSuper as a participating employer, you'll automatically get access to EmployerOnline.



Transact through EmployerOnline

Now that you've joined CareSuper, you can manage your employees' super online with ease.

EmployerOnline gives you the freedom to:

- Add employees as new members, without having to submit paper forms
- Select the most suitable contribution payment method for your business. Read more about your options in this Guide
- Process contributions online at a time that's convenient for you
- View your company's contribution history
- View and update your company and employees' details
- Manage your administration contacts and tailor their access
- Access the CareSuper Employer message service.

➔ **Need help online?** For tips on managing your online account, take a look at the 'Employer help' guide in EmployerOnline. Alternatively, speak to your CareSuper Client Partnership Manager.

Enrol your employees

Any employees who want to join CareSuper, either as your default fund or by exercising choice of fund, should be provided with a CareSuper **Member Guide PDS** to read.

To enrol your employees who want to join CareSuper, simply add new employees in the 'Manage employees' section of EmployerOnline.

Once you've joined an employee via EmployerOnline, an employee record is created so that you can manage their super online.

Alternatively, your employees can join online at caresuper.com.au, or by completing the **Member application** form available through your Client Partnership Manager or by calling **1300 360 149**.

New members will receive a welcome pack, which outlines the key benefits of being a CareSuper member.



Already a participating employer?

You can register for EmployerOnline at any time, and start to enjoy the benefits of managing your employees' super online. Simply visit caresuper.com.au and click on 'Employers' in the top right-hand corner to register for EmployerOnline.

joining online takes
less than 10 minutes —
and there are no forms
to return!



Tax File Numbers (TFNs)

CareSuper is authorised by law to collect member TFNs. Your employees do not have to provide their TFN to CareSuper if they do not want to; however, as an employer, you have specific responsibilities with regard to the collection and handling of TFNs.

Your responsibility

As an employer you have a responsibility to:

- Accept TFNs from your employees who quote you their TFN
- Pass on TFNs to CareSuper within 14 days.

It is important to:

- Remember that employees who have provided their TFN on their Employment Declaration form are now deemed to have provided it for superannuation purposes, and
- Keep all TFNs in a secure manner. Employees who deal with TFNs in their normal course of work should be reminded of the need to protect the privacy of TFNs.

Please note: Employers who do not provide an employee's TFN to the employee's superannuation fund within a set timeframe when authorised may be fined by the ATO.

Keep us updated

As an employer, you should let us know as soon as possible of any changes occurring at your workplace, such as when:

- Employees leave
- New employees start
- Employees take maternity leave or unpaid leave
- The contact person at your organisation changes
- The trading name of your organisation changes
- Your telephone number, address or email address changes
- The nature of your business changes.

You should also let us know if any of your employees' details change, such as a new address or telephone number.

Most changes can be advised online or over the phone subject to security requirements. Some changes may need supporting documents to be provided. Our customer service staff will guide you.



Important

It is important that you or your employees inform CareSuper of any change of employment. For example, when a member resigns, is retrenched, retires, becomes disabled or dies, it is important that CareSuper's records are updated to ensure that the correct information and documentation is sent to either the member or the member's legal personal representative.

Managing your contributions

With CareSuper's contribution and payment options, you can choose the right combination to suit your business. The best contribution and payment methods will depend on your payroll system, how many employees you are contributing for and how many super funds you need to contribute to. See the table opposite or call the CareSuperLine for help choosing the right solution for your business.

Making payments

You do not have to make your first payment at the time you join CareSuper. Regular payments, along with updated contribution records, are due by the 7th day of the following month for the period. For example, April contributions are due by 7 May. You need to allow time for your payment to reach CareSuper by this date.

Before submitting your payment, ensure that all contributions for the period are correctly recorded, including new employees, changes in employment status and salary or terminations that result in contributions not being paid. Submit your updated records with your payment.

How much you need to pay

The Superannuation Guarantee (SG) legislation requires you, as an employer, to pay a minimum level of superannuation for each of your employees.

The minimum level is 9% of your employees' Ordinary Time Earnings (OTE).

However, if your employees are covered by an Award or Agreement that specifies an amount higher than the SG amount then you are obliged to pay the higher amount.

The exceptions under the SG legislation are employees:

- Who earn less than \$450 in any calendar month, or
- Aged 70 years or over, or
- Under 18 years of age who work less than 30 hours per week, or
- Foreign executives holding a particular class of visa or entry permit, or
- Non-resident employees paid for work performed outside Australia, or
- Employed for domestic or private work for no more than 30 hours a week, or
- Temporarily working in Australia for an overseas employer who has received an exemption.

Superannuation Guarantee legislation imposes penalties on employers who don't make the SG contributions on behalf of their employees at least quarterly. However, in the best interests of your employees, CareSuper requests that SG contributions are paid monthly by participating employers (unless otherwise authorised).

The definition of OTE for superannuation purposes changes from time to time. See the ATO website, ato.gov.au, for further information.

With CareSuper's contribution and payment options, you can choose the right combination to suit your business.



Your payment options

Contribution method	Description	Best for employers	Payment options	Benefits
EmployerOnline (Log on via caresuper.com.au – you can join online without filling in any forms. See page 8 for details)	All your contribution details are provided via our secure website. Just check, update and 'click' to submit.	With fewer than 20 employees (If you have more than 20 employees, see Payroll and Excel options below as these can be submitted via EmployerOnline with greater convenience.)	Online transfer BPAY®**	<ul style="list-style-type: none"> • Secure and efficient • Convenient • Can also be used in conjunction with your payroll system or an Excel spreadsheet (see below) • Payment and contribution can be submitted at same time from a single online location
Payroll file	Create a contribution file using one of the popular payroll systems and submit via EmployerOnline or email.	With 20+ employees	BPAY**	<ul style="list-style-type: none"> • Convenient • Minimises errors • Easily managed by anyone familiar with your payroll system
Excel spreadsheet	Manage your contribution records in a pre-formatted Excel spreadsheet and submit via EmployerOnline or email.	With 20+ employees	BPAY**	<ul style="list-style-type: none"> • Convenient • Easily managed by anyone familiar with Excel
Paper	You will be sent a contribution remittance advice each month. Complete and return the form via post.	Without internet access	BPAY** Cheque	<ul style="list-style-type: none"> • Provides an alternative for employers without internet access
Clearing house* solution	Manage your contribution data across your employees' super fund choices in one online location. Make one payment and distributes the information and money to your employees' super accounts.	Who need to make contributions to multiple super funds. Speak to your CareSuper Client Partnership Manager if you're interested in finding out more.	Direct debit (authorisation required)	<ul style="list-style-type: none"> • Convenient • Efficient • Saves time for employers contributing to multiple super funds

* CareSuper offers access to a third party solution, provided on a fee-for-service basis. There are other clearing house solutions also available through alternative providers. You should read the relevant PDS before making a decision. Other payment options (listed above) are provided by CareSuper and no fee is charged for their provision.

** If you are using BPAY, call the CareSuperLine for your Customer Reference Number. The Biller Code is 929 893.

with CareSuper's contribution and payment options, you can choose the right combination to suit your business

Timely payment

You should monitor your contribution payment dates, as late payment can have serious implications for you and your employees.

You should also note that legislation imposes penalties on employers who fail to make their SG contributions within the legislated timeframes.

Your employees' insurance cover may also be affected by late payment, if they have insufficient funds to cover insurance premiums. If a member dies or becomes disabled, you or your organisation may then be exposed to legal action being taken by the member or his or her beneficiaries.

By law, the Trustee's responsibility is to act in members' best interests. Accordingly, the Trustee has the power to take any action it considers appropriate to recover such contributions to ensure members are not disadvantaged.

CareSuper does follow up on payments expected but not received. Therefore, it is important that you notify us of changes or terminations which result in contributions not being payable.

The late payment offset allows employers to offset late super contributions paid into an employee's super fund against the super guarantee charge (SGC) for that employee for that period. Employers seeking more information about applying for the late payment offset can call the ATO on 13 10 20 8.00am–6.00pm, Monday to Friday.

Contributions while members are not at work

Generally, SG contributions are required to be paid on ordinary time earnings, including annual and sick leave. The requirements are complex and clarification can be obtained from the ATO.

If a member is absent without pay – for example, on parental leave or other approved leave without pay – generally no contributions are due.

The employer should provide written confirmation of such authorised leave to CareSuper.

For members who are receiving workers' compensation, SG payments are usually only required for the number of hours actually worked, unless there is a specific requirement under an award or agreement.



Did you know?

You are required to complete a contribution return even if the payment amount is nil, to ensure you don't receive a letter from CareSuper informing you that your payment is late.

Understanding contributions



In addition to Super Guarantee, there are other types of contributions you should understand.

Voluntary contributions

Your employees can choose to contribute to their super from their post-tax salary. Super is a tax-effective method of saving for retirement.

Employee contributions can be made by:

- Payroll deduction (if you offer this facility)
- Direct debit
- BPAY
- Direct payment.

If you offer a payroll deduction facility, make sure you keep all payroll deduction authorities for those employees making voluntary contributions. Deduct the contributions from your employees' salaries and send them as part of your monthly payment.

There is a legislative obligation for employers to pay to a superannuation fund all voluntary contributions deducted from an employee's wage or salary by the 28th day after the month in which the deduction was made. Limits apply to the amount of after-tax contributions individuals can make, which your employees should be made aware of. Refer to the ATO website, ato.gov.au, for more information.

Government co-contribution

For your employees who are on low to middle incomes, the Government co-contribution could mean a boost to their super savings.

For every dollar put into super by the eligible employee as a voluntary (after-tax) contribution, the Government will also contribute subject to certain eligibility conditions and thresholds.

Income thresholds are indexed each year to account for inflation. For the latest thresholds and eligibility criteria, visit ato.gov.au.

Salary sacrifice

Salary sacrifice is an arrangement between an employer and an employee by which the employee agrees to have part of their pre-tax salary paid as a superannuation contribution. This can be tax-effective for employees on high marginal tax rates.

A salary sacrifice contribution is treated as an employer contribution and therefore is tax deductible to you (within limits).

For more information about salary sacrifice or voluntary contributions contact the CareSuperLine on 1300 360 149.

Investing with CareSuper – plenty of options

Investing with CareSuper

CareSuper offers 13 investment options to ensure your employees have the choices required to create a portfolio that suits their individual circumstances. Investment switches can be made as frequently as weekly. Full details are provided in the **Member Guide PDS** and the **Investment Guide**.

Our 7 Managed options and 5 Asset Class options, along with the Direct Investment option (see graph opposite) can be chosen alone or combined to create a portfolio.

Direct Investment option

The Direct Investment option allows members with a balance of \$10,000 or more to invest up to 75% of their balance to buy and sell shares from their choice of companies listed in the S&P/ASX 300 Index. The Direct Investment option utilises the stockbroking services of Macquarie Investment Management Limited (ABN 66 002 867 003, AFSL 237 492). Full details are available in the **Member Guide PDS** and the **Investment Guide** available at caresuper.com.au/PDS.

What are the risks of investing?

All investments carry risks, including the potential for loss of value or failure to meet an investor's objectives over a given time period. Different investments also have different levels of volatility (the extent to which the investment

increases or decreases in value over a short period of time).

Your employees should consider the following general risks:

Inflation – the change in the cost of living over time, which erodes the value of today's dollar

Liquidity – the ability to turn an investment into cash with little or no loss of capital and minimal delay

Financial loss – assets can lose value, leaving you with less than you originally invested. This can happen through:

- Changes to the market environment, such as changes in technology, political or legal conditions
- Interest rate changes
- Currency fluctuations
- The failure of a specific asset, such as a company becoming bankrupt, or
- Changes in the values of derivatives.

All of these risks can cause your employees investment to fall in value, even causing loss of the initial capital invested.

To help your employees understand the risk of investing before they make any investment choice, more detailed information can be found in our Investment Guide, available at caresuper.com.au or by calling us on 1300 360 149.



Managing risk

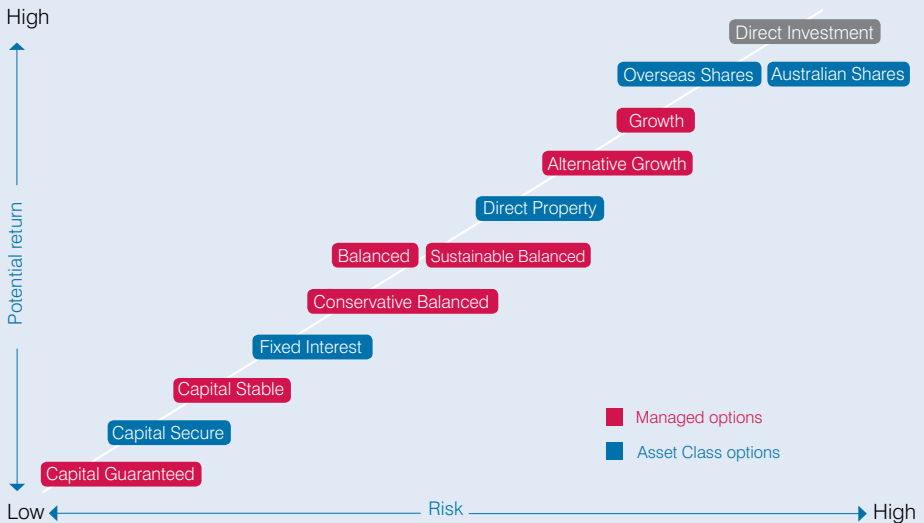
A key to successfully managing risk is diversification – spreading your investments across a range of different asset classes or types of investments. This assists in offsetting poor performance that may occur in any individual asset class as, while one asset class may be performing poorly, another may be expecting better returns.



It is important your employees understand the risk of investing before making their investment choices. Keep some **Investment Guides** available for employees wishing to make an investment choice.

Risk vs return

This graph shows where CareSuper's investment options sit on the risk vs return scale, taking into account each option's benchmark asset allocation. It is an indicative example only and assumes an investment period of at least five years.



Flexible insurance

CareSuper's insurance not only meets the legal requirements for an employer's default super fund – it provides employees with quality, cost-effective insurance cover, flexible to their circumstances.

CareSuper offers three types of insurance – death, total and permanent disablement (TPD) and income protection (IP). All employer-sponsored members automatically receive a default level of unit-based death and TPD cover when they join CareSuper, subject to eligibility.

We also offer tailored insurance, allowing your employees flexibility in the level of cover they can purchase. For tailored cover, members will be asked to provide evidence of health.

CareSuper meets the minimum statutory death insurance requirements for Choice of Fund, and is therefore eligible to be nominated as a default fund.

Types of Insurance

Unit-based: our default structure for death and TPD insurance, where 'units' of cover are purchased for a dollar amount. The amount of cover you receive per unit decreases with age, but members are able to purchase additional units according to the cover they need.

Fixed cover: The alternative to unit-based cover, where your premiums are scaled by age according to a fixed desired level of cover.

Death cover: provides a lump sum payment to the insured person's dependants or beneficiaries after death (within certain restrictions). This can help employees to ensure the ongoing wellbeing of spouses and children, even when they are not around to provide for them.



Did you know?

Your CareSuper Client Partnership Manager (CPM) can consult with you to develop a competitive insurance plan for your employees. This takes into account the number of staff you have, the nature of their work and the demographics of your workforce.

Transfer of your organisation's existing cover can also be arranged, subject to certain conditions and insurer approval.

Find out more about our corporate insurance arrangements by calling your CareSuper CPM.



Total and Permanent Disablement (TPD) cover: provides a lump sum payment if the insured person is never able to work again (specific definitions apply). This payment could be used to cover medical bills, rehabilitation expenses or medically required home modifications, and to ensure the overall security of the employee's family and home.

Income protection (IP) cover: provides a replacement income if the insured person is unable to work temporarily due to illness or injury (within certain restrictions; waiting periods apply). This means that incapacitated employees can continue to provide for their family as they would when they are working, while taking the time to recover and rehabilitate. Your employees must be earning at least \$16,000 p.a. on an ongoing basis to be eligible for IP.

Applying for insurance online*

CareSuper members can apply for new or increased insurance cover securely through MemberOnline. It's a quick and easy way to apply for insurance.

* Subject to terms and conditions.

Transferring employees' insurance

Your employees may be eligible to transfer their current employer-sponsored or retail arrangement to CareSuper without providing medical evidence. They simply need to read the insurance section of the **Member Guide** along with the **Insurance Guide** to see if they are eligible, and complete and return the **Insurance transfer** form available at caresuper.com.au.

For more information on CareSuper's insurance cover, refer to the **Member Guide PDS** and the **Insurance Guide**, available from caresuper.com.au/PDS.



Fees and other costs

CareSuper charges fees to cover costs, not to make a profit. Profits are returned to members.

For information about CareSuper's fees and charges, refer to the **Member Guide PDS**, available from caresuper.com.au/PDS.

Tax and super

This section gives a summary of tax information related to superannuation for employers. For information on tax and super as it relates to your employees, please refer to the tax and super section of the **Member Guide PDS**. The tax information below is based on tax laws current at 1 July 2011.

Deductions for employer super contributions

If you meet certain requirements, you can claim a full deduction for super contributions made to your employees' complying super fund or Retirement Savings Account (RSA).

You can claim a tax deduction for contributions made:

- for the purposes of providing super benefits for your employee,
- to a complying super fund or RSA in the year of income, and
- where the employee is aged under 75 years (if they are made within the prescribed time – see below for exceptions).

Directed termination payments made to a super fund at the direction of an employee are not deductible as super contributions. Refer to the ATO website for more information.

For employees aged 75 years and over

Contributions made to employees over the age of 75 cannot usually be tax deducted as a super contribution. However, if the contribution is required by an industrial award, determination or notional agreement preserving state awards you can tax deduct the amount required by the award, determination or agreement.

Contributions paid through salary sacrifice

Contributions paid through an effective salary sacrifice arrangement are deductible within the same restrictions as other employer super contributions. To be considered effective the arrangement must be:

- a mutual agreement between you and your employee
- where your employee agrees to forego what they would otherwise expect to receive as salary or wages, and
- made before the employee has earned the entitlements to receive the amount of salary or wages that is subject to the salary sacrifice arrangement.



How and when do you make a claim?

Deductions can be claimed when lodging your income tax return at the end of the income year for which the contribution was made.

Tax and your employees' super

Your employees' super is subject to concessional and non-concessional contribution caps, contributions tax and tax on benefits paid.

The ATO website has information on superannuation designed especially for employers. Visit ato.gov.au for more information.

Note: This tax information is based on tax laws current at 1 July 2011 and may change from time to time.



Your Client Partnership Manager can answer your super-related tax questions.

Accessing super money

As super is designed to support retirement, access to super money is restricted. The following page outlines the events at which members can access their money. Encourage your staff to read the **Member Guide PDS** for full details of when they can access their super.

Members can generally access their super money if they satisfy the specific requirements of:

- Retirement on or after their preservation age
- Reaching age 65
- Total and permanent disablement (if insured)
- Invalidity
- Terminal illness
- Death*
- Compassionate grounds (upon application and approval by the Department of Human Services)
- Severe financial hardship (with appropriate documentation from Centrelink or the Department of Veteran's Affairs and subject to Trustee approval)
- Permanently departing from Australia (for eligible temporary residents), or
- On termination of employment (if their preserved balance is less than \$200).

* If the member dies, the account balance will be paid to their beneficiaries or estate.

The requirements for accessing super in each of these situations are detailed in the **Accessing your super** information, available at caresuper.com.au/PDS. If any of your employees have questions about accessing their super, you should advise them to call the CareSuperLine to discuss their personal circumstances.

What if an employee leaves my employment?

If an employee is leaving your employment due to one of the situations listed opposite, they may be able to access their super money. If, however, they are leaving for other reasons – such as to take up employment elsewhere – their money will need to stay in a super account. In most cases they will be able to leave their money in CareSuper and continue enjoying the same benefits, maintain their insurance cover and pay the same low fees.

If, as an employer, you are in the unfortunate situation of having to deal with multiple retrenchments or similar restructuring challenges, remember that we can arrange situation-sensitive seminars and workshops to help you with the process. Your dedicated CPM will work with you to ensure that your employees are comfortable with the options they have for their super.

Other things you need to know



Enquiries and complaints

The Trustee of CareSuper has established procedures to deal fairly with enquiries and complaints from members, employers and beneficiaries. Complaints can be received in a variety of ways – by telephone, email or letter. If you make an enquiry or complaint by telephone we will endeavour to answer immediately. In some cases CareSuper may ask you to submit your complaint in writing so it can be investigated further, with a written response to you. All complaints will be handled in a courteous and confidential manner. Members, employers and beneficiaries with enquiries or complaints should contact us in one of the following ways:

Call CareSuper **1300 360 149** between 8am and 8pm Monday to Friday EST

Email: admin@caresuper.com.au

Write to this address:

The Enquiries and Complaints Officer
CareSuper
Locked Bag 5087
Parramatta NSW 2124

Proof of identity

Under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* CareSuper is required to identify, monitor and mitigate the risk that the Fund may be used for the laundering of money or the financing of terrorism. Because of this your employees will be required to provide proof of their identity before they withdraw their benefit from the Fund or commence an income stream. At a minimum, they will be required to provide the Fund with evidence that verifies their full name, their date of birth and their residential address.



Protecting privacy

CareSuper understands the importance of protecting the privacy of members and employers, which is why we have prepared information called **Your Privacy**. It covers topics such as:

- The type of personal information CareSuper collects about members and employers
- Why personal information is collected
- Members' and employers' rights to see the information CareSuper holds about them
- A summary of the National Privacy Principles that CareSuper has adopted, and
- How members and employers can contact CareSuper about privacy issues.

For a copy of **Your Privacy**, visit caresuper.com.au/PDS or call the CareSuperLine.

CareSuperLine 1300 360 149

Contact us

call
visit

CareSuperLine **1300 360 149**

caresuper.com.au for the latest news and information, brochures and forms.

Log on to EmployerOnline – manage your super through EmployerOnline. Update employee details, schedule contribution payments and check your transaction history.

Register directly via **caresuper.com.au**.

email
write

admin@caresuper.com.au

CareSuper, Locked Bag 5087
Parramatta NSW 2124

CareSuper's offices

CareSuper VIC, SA, TAS & WA
(Registered office)

Level 5, 53 Queen St
Melbourne VIC 3000

Tel (03) 8623 0700

CareSuper QLD & NT

Tel (07) 3831 1267

CareSuper NSW & ACT

Tel (02) 8227 5000



Disclaimer: The information provided in this document is general advice only and has been prepared without taking into account your particular financial needs, circumstances and objectives. You should consider your own investment objectives, financial situation or needs and read the Product Disclosure Statement prior to making an investment decision. You may also wish to consult a licensed financial adviser.

All information in this document is believed to be accurate at the time of preparation and may change.