Member Super Facts

October 2018

Boosting your super

did you know?

Ever worried about not having enough money in retirement? It's easy to contribute extra to your super, and the sooner you start the longer you have to take advantage of compounding returns (interest on interest).

Information helpline

For more information on CareSuper or super related topics call the CareSuperLine on **1300 360 149**, email **admin@caresuper.com.au** or visit **caresuper.com.au**

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

Who pays my super?

Generally, your employer is required to pay the equivalent of 9.5% of your salary into super (they may pay more). This is the current super guarantee (SG) rate and it's subject to change. Our website will always have the latest rate.

If you're not sure whether you're eligible for SG, go to the Australian Tax Office website at **ato.gov.au** to check your entitlements. You can also check your transaction history in MemberOnline at **caresuper.com.au/login**.

Should I add more to my super?

The truth is, SG alone probably won't be enough for you to retire on comfortably. Fortunately, there are other ways you can add to your super. Even a small amount can make a big difference thanks to compounding returns.

How can I boost my super?

You can make two kinds of contributions to your super:

- Concessional (before-tax) contributions, and
- Non-concessional (after-tax) contributions.

It's important that you consider what is right for your situation. To find out how a financial planner could help you with this decision, visit **caresuper.com.au/advice**.

Concessional contributions

Concessional (before-tax) contributions are paid into your super before your marginal tax rate is applied. You will pay a 15% contributions tax on money going into super, but this is lower than most people's marginal tax rate, making it a tax-effective savings option.

Before-tax contribution options include:

- SG contributions (see at left),
- Salary sacrifice contributions, and
- personal deductible contributions.

Salary sacrifice – how does it work?

You can choose to regularly 'sacrifice' part of your salary into your super account, if you are eligible (check with your employer). This strategy could help you increase your retirement savings and reduce your overall taxable income.

Next steps:

- Speak to your employer and make sure salary sacrificing is an option for you.
- Instruct your employer in writing (they'll usually supply a form). You can cancel this at any time.

Note that these contributions do count as employer contributions, so will be counted as income for Government programs or welfare benefits.

See the difference starting early could make to your super

At age 30, Charlotte starts making personal contributions to super of $10 per week, on top of her employer's super guarantee (SG) contributions.

At age 50, John is starting to think about retirement. In order to boost his super, he starts making personal contributions on top of SG of $100 per week.

Charlotte and John both retire at age 67. Over the years, John has contributed $88,400 of his own money to super, compared to Charlotte, who has contributed only $19,240.

At retirement, Charlotte has $473,000 in her super account. John has $284,000 – that's a difference of $189,000!

These figures have been calculated using the Industry Fund Services Superannuation Planning Calculator (Industry Fund Services Limited ABN 54 007 016 195 AFSL No. 232 514). Figures assume a starting super balance of $40,000, annual before-tax salary of $40,000, a moderate investment risk profile, super guarantee contributions of 9.5% and no Age Pension.

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Non-concessional contributions

Non-concessional (after-tax) contributions are generally made from take-home pay e.g. the money in your bank account. Because they've already been taxed at your marginal tax rate, they are not taxed on the way into your super account.

After-tax contributions include:

- Personal contributions (any amounts you contribute to super from your take-home pay), and
- Spouse contributions.

Personal contributions

You can make one-off or regular contributions to your CareSuper account via:

- BPAY®
- Direct debit
- Payroll deductions
- Cheque.

You may be able to claim a tax deduction on your personal contribution. To find out how to make a personal contribution, visit **caresuper.com.au/maximisesuper**.

Spouse contributions

Did you know you can help top up your partner's super? Or they can top up yours?

For example, if you earn a higher salary than your partner, you can choose to contribute part of this to their super to help boost their savings.

You may even be able to claim a tax offset if your spouse isn't working or is earning less than $40,000 per year. (Conditions apply.)

For more details refer to the **Spouse contribution advice** form at **caresuper.com.au/forms.**

Will the Government top up my super?

If you add non-concessional money to your super and earn less than $52,697 annually, the Government will chip in with a co-contribution of up to $500.

To qualify for co-contributions, you must:

- Make non-concessional contributions by 30 June each year
- Lodge an income tax return for the financial year
- Be under 71 at the end of the financial year,
- Provide CareSuper with your tax file number, and
- Not have exceeded the non-concessional cap
- Be below the total super balance as at 30 June of the previous year.

Other eligibility conditions apply. As long as you meet the criteria, including making extra contributions, the Government will make this payment automatically – you don't have to do a thing. Any contributions for which you claim a tax deduction will be treated as concessional contributions.

Claiming a tax deduction on personal contributions

If you want to claim a tax deduction you must tell CareSuper of your intent to claim, and your claim must be made before one of the following (whichever comes first):

- The day you lodge your return for the year in which you made the contributions
- The end of the financial year following the one in which you made the contributions.

Did you know?

Contribution caps and the total super balance apply per person not per account. If you have more than one super fund, keep these limits in mind.

Thinking about combining your super?

Combining your super can make it easier to keep track of – and you can avoid paying fees on multiple accounts.

Visit **caresuper.com.au/combine** to explore your options, including over the phone and online consolidation into CareSuper.

Before combining your super you should consider whether this is right for you and check if you will be charged any exit or other fees. You should also check the impact on any insurance arrangements (such as loss of insurance) or other benefits.

What would you give up?

Find out how a small sacrifice could make a big difference to your super.

Go to **caresuper.com.au/sparechange.**

Contribution caps – what are they and when do they affect me?

Contribution caps are limits on the amount of money you can place in superannuation. If your contributions exceed these caps, they will no longer be treated favourably from a tax perspective and you may have to pay significant extra tax instead.

There are different caps for before-tax contributions and after-tax contributions, as shown below.

Contribution caps 2018/19

Concessional (before-tax) cap	Non-concessional (after-tax) cap
$25,000	$100,000

From 1 July 2018 you may be able to carry over any unused portion of your concessional cap, so long as your total super balance is under $1.6 million.

What happens if I go over my contribution caps?

Amounts over the concessional cap will be included in your assessable income, taxed at your marginal tax rate and subject to an excess contributions charge.

Amounts over the non-concessional cap will be taxed at 49%, but you may be able to withdraw the additional amounts and only pay tax on the associated earnings.

Know your total super balance

Your eligibility to make certain types of contributions may depend on your total super balance. If you have already reached these limits at 30 June of the previous year, there will be restrictions on the types and amounts of contributions you can make. More information is available at **caresuper.com.au/knowyourlimits**.

need help?

When you have so many options, sometimes it helps to get advice from someone with super experience. CareSuper members have access to qualified financial planners who can advise on super-related topics over the phone at no extra cost.^

- Book a callback at **caresuper.com.au/advice**, or
- Call **1300 360 149** to be put in touch.

^Financial advice is offered through CareSuper's relationship with Industry Fund Services Limited (IFS), and is provided by an authorisation under the Australian financial services licence of IFS, ABN 54 007 016 195, AFSL 232514.

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