

Making extra contributions to your superannuation account

Voluntary contributions can deliver extra superannuation benefits to you

Relying only on employer super contributions to fund your retirement may not provide you with the retirement lifestyle you are imagining. It is worth considering the benefits of boosting your super with additional voluntary contributions. Of course the more you contribute (and the earlier you do it), the greater the effect that investment earnings could have on your long-term retirement benefit.

Different types of additional contributions

There are various ways to add to your superannuation savings over and above your employer-paid contributions, or contributions required to fund any defined benefit entitlements. You can:

- > Make voluntary contributions including salary sacrifice (pre-tax), non-concessional (after-tax) contributions and ad hoc lump sum contributions;
- > Receive Government co-contributions; and
- > Receive spouse contributions.

This Fact Sheet contains only a short description and comparison of each contribution type. There is a Fact Sheet designed to provide further information on each contribution type. You should read these to ensure you obtain the full detail. They are available via our website www.equipsuper.com.au under the Learning Centre tab, or by calling our Helpline.

Note: Whether you should make extra contributions and in what form is up to you. Equipsuper does not recommend any type of contribution over another.

This information is for general purposes only and does not take your personal circumstances into account. We recommend that you obtain personal financial advice from a licensed financial advisor before taking any action. If you wish to make an appointment to speak to a financial planner from Equipsuper Financial Planning Pty Ltd (ABN 84 124 491 078), please contact 1800 065 753.

This brochure is for general information only. It has been prepared without taking into account your personal objectives, financial situation or needs. You should consider whether this information is appropriate to your personal circumstances before acting on it and, if necessary, seek professional financial advice. If you are considering investing in the Equipsuper Superannuation Fund ABN 33 813 823 017, you should read the appropriate Equipsuper Product Disclosure Statement (PDS) before making an investment decision. You can obtain a PDS via our website or by contacting the Helpline.

The taxation information included in this brochure is a general guide only. As taxation laws are complex and individual circumstances vary, you should seek individual taxation advice from a qualified advisor.

Equipsuper Financial Planning Pty Ltd (EFP) ABN 84 124 491 078 is owned by the trustee of the Equipsuper Superannuation Fund (Equipsuper) and is a corporate authorised representative of Health Super Financial Services Pty Ltd ABN 37 096 452 318, AFSL No 240019.

For full information about the services and remuneration of EFP, please refer to the EFP Financial Services Guide, available by contacting **1800 065 753**, or on the website www.equipfp.com.au.

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Send any correspondence to: **Equipsuper Pty Ltd, GPO Box 4303, Melbourne VIC 3001**

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How you can make extra voluntary contributions:

- > Salary sacrifice (pre-tax) contributions can be established via your employer payroll;
- > Spouse contributions can be made via cheque;
- > Non-concessional (after-tax) contributions to your Equipsuper accumulation account* can be made:
 - as a payroll deduction that is established via your employer;
 - via our website using your member number, plan number and PIN (then via BPAY or cheque); or
 - by sending a cheque or money order with a completed Voluntary Contributions form. You can download this form from our website or ask our Helpline to send you one.

* Note: If you are a defined benefit member and you don't already have an accumulation account, you will need to contact your employer to make these contributions. Refer to the applicable Product Disclosure Statement (PDS) for further information.

Other important considerations:

- > Generally, if you are aged less than 65, all contributions made to super on your behalf are preserved and cannot be withdrawn until you have satisfied a condition of release, such as permanent retirement after reaching your preservation age (minimum retirement age). Please refer to *Fact Sheet #3* for details on when you can access your superannuation.
- > Voluntary employer (pre-tax) and personal (after-tax) superannuation contributions can be made up to age 75. If you are aged between 65 and 74, you can make contributions as long as you satisfy the '40/30' work test rule. To do this, you must work a minimum of 40 hours in a period of no more than 30 consecutive days in the financial year you wish to contribute.

Some concessional contributions count towards the income tests that determines your eligibility for various Government support benefits as well as the Government co-contribution, the spouse contribution tax offset and self-employed income levels. These are called Reportable Superannuation Contributions (RSC's). Contributions such as self-employed contributions for which a tax deduction is being claimed, and voluntary employer contributions such as salary sacrifice amounts (which are on top of compulsory contributions) may also be included as RSC's.

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Note: all marginal tax rates include Medicare levy

Contribution type	Concessional contributions (pre-tax)		Non-concessional contributions (after-tax)		
	Salary sacrifice amounts	Self-employed contributions	Personal after-tax regular, or ad hoc.	Government co-contribution	Spouse contributions
Detail contained in Fact Sheet No.	#1	#6	#9	#12	#13
Features	<ul style="list-style-type: none"> Reduces taxable income Possible tax saving Earnings taxed concessional Taxed concessional on withdrawal, or no tax if over 60 	<ul style="list-style-type: none"> Reduces taxable income Possible tax saving Earnings taxed concessional Taxed concessional on withdrawal, or no tax if over 60 	<ul style="list-style-type: none"> Tax free on withdrawal Boosts super savings Earnings taxed concessional 	<ul style="list-style-type: none"> Government contribution of up to \$1,000 p.a. Possible annual payment Boost super savings 	<ul style="list-style-type: none"> Super for non-working or low income spouse Flexibility for couples when planning retirement Possible tax offset Does not count for Govt co-contribution
Tax on entry to the fund?	Yes – 15%	Yes – 15%	No	No	No
Tax deduction available?	Yes – to employer	Yes – to employer	No	No	No
Tax rebate available?	No	No	No	No	Yes, up to \$540 pa where spouse income is < \$13,800 p.a.
Cap/limit on contribution?	Yes, \$25,000 p.a. if < age 50. Transitional arrangement: \$50,000 p.a. applies until 30 June 2012 if aged 50 or over. Cap relates to concessional contributions in total *	Yes, \$25,000 p.a. if < age 50. Transitional arrangement: \$50,000 p.a. applies until 30 June 2012 if aged 50 or over. Cap relates to concessional contributions in total *	Yes, < age 65: \$150,000 p.a. or \$450,000 over three years. > age 65: \$150,000 p.a.	Yes - \$1,000 per person p.a. ** Does not count to the contributions caps.	Yes – counts to non-concessional contributions cap of receiving spouse: < age 65: \$150,000 p.a. or \$450,000 over three years. > age 65: \$150,000 p.a.
Indexation of contribution cap	Yes - \$25,000 cap will be indexed to Average Weekly Ordinary Time Earnings (AWOTE), but only in increments of \$5,000. The \$50,000 cap will not be indexed.	Yes - \$25,000 cap will be indexed to Average Weekly Ordinary Time Earnings (AWOTE), but only in increments of \$5,000. The \$50,000 cap will not be indexed.	Yes - the non-concessional cap will be six times the concessional contributions cap.	N/A	Yes - the non-concessional cap will be six times the concessional contributions cap.

Notes:

- * cap includes concessional contributions from all employers that you may have. Includes mandatory Super Guarantee (SG) contributions, notional taxed contributions relating to defined benefits as well as salary sacrifice.
- ^ 10% or more of earnings comes from self-employment in carrying on a business, which is not an occupation as an employee and does not qualify for (SG) contributions.
- ** Maximum co-contribution available is \$1000, minimum is \$20.
- # There is no age restriction on the contributing spouse. (Note that the strategy of 'contributions splitting' is different and should not be confused with spouse contributions. Refer to Fact Sheet #13).
- § You must have worked at least 40 hours in a period of not more than 30 consecutive days during the financial year that the contribution is made.

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Detail contained in Fact Sheet No.	#1	#6	#9	#12	#13
Penalty on exceeding the cap?	Yes – excess taxed at additional 31.5% (46.5% in total).	Yes – excess taxed at additional 31.5% (46.5% in total).	Yes – excess taxed at 46.5%.	N/A	Yes, excess taxed at 46.5%.
Preserved until retirement or other condition of release?	Yes	Yes	Yes	Yes	Yes
Eligibility to contribute?	< age 65: No requirements > age 65: 40/30 work test applies§ > age 75: cannot contribute	< age 65: Substantially self-employed ^ > age 65: 40/30 work test applies§ > age 75: cannot contribute	< age 65: No requirements > age 65: 40/30 work test applies§ > age 75: cannot contribute	N/A – ATO make this payment	Contributor must be legally married or de facto of receiving spouse.
Eligibility to receive the contribution?	N/A	N/A	N/A	<ul style="list-style-type: none"> • Make after-tax contributions. You must: <ul style="list-style-type: none"> • Be aged < 71 • Be employed or self-employed • Have an income < \$61,920 p.a. • Not hold temporary resident visa • Lodge a tax return. 	Receiving spouse# must be < age 65.
Impact if no TFN provided?	The total contribution is taxed at 46.5% (15% + 31.5% penalty)	The total contribution is taxed at 46.5% (15% + 31.5% penalty)	Cannot accept any non-concessional contributions, must be refunded to payer.	Cannot receive Govt co-contribution.	Cannot accept any non-concessional contributions, must be refunded to payer.

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