

SuperSolutions

July 2007

Employer Checklist:

- Quarterly SG payments are due 28 July (or 21 July if you use The Superannuation Clearing House)
- Encourage our members to give their Date of Birth and Tax File Numbers to the Fund
- Get our new Supplementary Product Disclosure Statement (SPDS) if you have any Product Disclosure Statements (PDS) on hand.

Employer Alert

Supplementary Product Disclosure Statements

Our Product Disclosure Statement (PDS) is the best place to look for definitive information about RecruitmentSuper. However, with most of the Government's Better Super reforms coming into effect on 1 July, certain aspects of this information have changed.

To provide up to date information, we have produced an SPDS which should be read in conjunction with the existing PDS. As well as reflecting the regulatory changes, this SPDS also provides updated or replacement investment, insurance, fees and cost details.

This SPDS must now always be supplied with the existing PDS, and replaces all other SPDSs issued after the associated PDS. To make this easy, the SPDS is now included in the download when the PDS is obtained via our website.

If you have any copies of our PDS on hand, please ensure the new SPDS is enclosed before handing them out.

Please also feel free to contact your State representative listed below if you have any questions.

If you need a supply of the PDS or SPDS, contact us and we will arrange for some to be sent to you.

Important Member Details

On many of our forms, including the Change of Membership Details Form, we ask for members' Dates of Birth (DOB) and Tax File Numbers (TFN). These details are just as important as their names and contact details.

It is important for us to know your employees' DOB to correctly administer, calculate and ultimately pay each member's benefit. For example, we need to know a member's age to determine whether they are entitled to concessional contributions.

Since 1 July, TFNs are more important for superannuation purposes than ever before. Without a member's TFN on record, contributions on their behalf will generally be taxed at the highest marginal tax rate (plus Medicare levy) rather than the concessional rate of 15%. This may make a substantial difference to their final payout. A valid TFN is also required before we can accept Voluntary member contributions from a member.

Remember: Since 1 July, Employers are required to pass on all new employees' TFNs to their chosen superannuation fund. You can easily supply TFNs along with your other contributions data. Employees can also contact us directly to check whether we have these details and supply them if necessary.

Campaign Update

Lost Super Campaign Launched

In June, RecruitmentSuper launched its annual Lost Super, "SuperMatch" campaign. The SuperMatch initiative aims to locate "lost" super for members held by either the ATO or another superannuation fund.

We sent members a personalised letter, some authorisation form/s and an informative brochure.

Experience tells us that many members pay little attention to their super until retirement is in their sights, but also that it is better to act sooner than later to maximise retirement benefits. The SuperMatch campaign helps us alert members to money with the ATO that is not achieving any investment returns, as well as making it easy for them to consolidate their money and avoid unnecessary admin fees in other funds.

In short, the SuperMatch campaign is another way we help members achieve financial independence in retirement.

Members who participate in SuperMatch also go in the draw for the chance to win a Sony Playstation® 3 console. Members who did not receive a SuperMatch pack can also participate in the campaign by visiting our website.



Better Super – Simple Rules

Better Super is the Government's biggest ever reform to Australian superannuation and it started on 1 July 2007.

Here you will find a summary of the major changes that the reform will bring.

Tax-free super payouts from age 60

- From 1 July 2007, anyone who has paid tax on their super (that's most workers) can look forward to paying **absolutely no tax** on their super payouts after they turn 60.
- Whether taken as a lump sum or as a superannuation pension, super payouts will be tax free, as long as taken after turning 60. Super payouts won't even have to be declared on tax returns.

Lower tax on payouts from untaxed super from age 60

- If the superannuation payout is derived from untaxed contributions (mostly affecting the public service sector), it will continue to be taxed. This makes sense as no tax has been paid on these contributions.
- The rate of tax applied will be reduced if it is taken after turning 60.

More flexibility and choice in how you take your super payout

- Until now, there have been strict rules about how and when a super payout can be taken. For example, once a person turned 65 and were no longer working, they had to take out all of their super – whether they wanted to or not.
- From 1 July 2007, things will be much more flexible. To take the same example of someone over 65 and retired: now they can take some of their super out – as a lump sum or as a pension – and leave some in their tax-effective super investments to continue making money. Or they can work part-time and keep adding to it.

A better deal for the self-employed

- From 1 July 2007, self-employed people will be able to claim a full tax deduction for their super contributions.
- They may also be eligible for the Government's Super Co-contribution scheme, which is available for qualifying after-tax contributions.

Employer Hotline

Phone: 1300 304 044
Fax: 1300 304 444
E-mail: info@recruitmentsuper.com.au
Website: www.recruitmentsuper.com.au

A better pension deal for people with assets

- Under the current rules, people with quite modest assets lose access to all or part of government pension payments.
- From 20 September 2007, the Government is halving the rate at which the Age Pension is reduced due to the exceeding personal asset thresholds.
- This means that many people will receive more money. While some current part-pensioners will have their payments increased, some people will even become eligible for a pension for the first time.

Easier to find and transfer super from different jobs

- As always, if anyone has a number of super accounts from different jobs, it's generally a good idea to consolidate the amounts into the one fund.
- The process for bringing these amounts together has now been simplified - there's now just one type of form to fill in and upon completion members send it to their fund of choice.
- It will also be easier to use the Government services which helps reunite people with super they have lost track of, one of them being an online tool called SuperSeeker.

Other improvements

- There are many other Better Super changes. Reasonable Benefits Limits, for example, have been abolished, and there's more flexibility to continue working and making contributions when older.
- Most of these additional changes only apply to a small proportion of people, so they are not covered in detail here. For more information on each of these sections please refer to www.ato.gov.au

This information is of a factual nature only and does not constitute advice.

Our Sales and Service Team

(Representatives of eo Pty Ltd AFSL 232501)

Gil Sebbag NSW & ACT
Lynne Walsh Qld & NT
Ian Chisholm National Manager