

EMPLOYER NEWS

TWUSUPER News for Employers - February 2011



Why we need your employees' Tax File Numbers

As an employer, you are required to inform us of an employee's Tax File Number (TFN) if they provided you with one on or after 1 July 2007.

If your employee advises you of their TFN and you do not pass it on to TWUSUPER within 14 days, you could be subject to penalties from the Australian Taxation Office.

While your employees do not have a legal obligation to provide their TFN to their employer or TWUSUPER, they may be disadvantaged if we don't have their TFN. For example, without their

TFN we are unable to accept their after tax personal contributions. This means eligible members won't receive the Government co-contribution. In addition, these members would need to pay an extra 31.5% tax on employer contributions made on their behalf.

Five ways you can provide us with your employees' Tax File Numbers:

- 1 go to www.twusuper.com.au, log in to *EmployerAccess** and update your employees' details
- 2 include your employees' TFNs when you submit your contribution paperwork
- 3 email the Administration Team at twusfadmin@aas.com.au
- 4 call Employer Service on **1800 241 877**
- 5 write to:
TWUSUPER
Locked Bag 5094
Parramatta NSW 2124

* You can register for *EmployerAccess* easily online or by calling 1800 241 877.



Investment update: On the road to recovery

After a very disappointing end to the last financial year, the start of the 2010/11 financial year has seen a strong, though uneven recovery in equity markets.

Even though the Australian economy continues to be the envy of other developed countries, with strong employment growth and a booming resources sector driven by demand from China and India, the domestic equity market has not kept pace with its global peers over the last year.

While the Australian share market has returned an impressive 13% financial year to date (to the middle of December), investors have enjoyed better returns in international markets in their local currencies. In the US, shares are more than 19% higher, the UK in excess of 17% higher and global markets as a whole have risen close to 18% this financial year. However, the returns in Australian dollar terms are significantly less because of the strength of the \$A against the major currencies.

The US government and the US Federal Reserve Bank are doing everything in their power to kick-start the US economy. The Federal Reserve recently confirmed market expectations of a second round

of quantitative easing (QE2) of up to \$US900 billion and indicated that further QE programs could be implemented should low levels of economic growth and high unemployment persist. In addition, President Obama has proposed to extend tax-cuts and introduce fiscal programs to boost growth.

Although these measures have been a positive for equity markets, the effect on the bond market was the exact opposite. Bond yields rose aggressively as the bond market worried about the negative impact of these moves on the ballooning US budget deficit. While equity markets have generated double digit returns this financial year, bond markets have struggled to produce positive returns. The Australian bond market is up less than 1% and the global market has fared only slightly better.

Looking forward, the one thing investors can be confident about is the likelihood of continued volatility in investment markets in the face of short and medium term dangers to the global economy.

However, on the positive side, investment market strategists point to generally attractive valuations for equity markets when compared with valuations over the past two decades. Despite the medium term risks, the strong cash flow generation of companies should look increasingly appealing to investors when compared to the returns available from cash and bonds.

Andrew Killen
Chief Investment Officer



The importance of providing termination dates

If an employee who is a TWUSUPER member ceases working for you, it's important that you notify us of their termination date.

If you advise us when an employee moves on or retires, you help us to keep our records up to date. We can then ensure your employee's super has a smooth transition into their next job or into retirement.

Avoid unnecessary paperwork

Until we have been informed that an employee is no longer working for you, our system will continue to calculate a super entitlement for them. When contributions are not paid, our system flags this as outstanding monies and arrears letters are sent out to you. You can avoid receiving this unnecessary paperwork by promptly notifying us of any employee terminations.

Five ways you can notify us of termination dates:

- 1 go to www.twusuper.com.au, log into *EmployerAccess** and update your employee's details
- 2 include the employee's termination date when you submit your contribution paperwork
- 3 email the Administration Team at twusfadmin@aes.com.au
- 4 call Employer Service on **1800 241 877**
- 5 write to:
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Your Super Guarantee obligations

Under Federal Government legislation you are required to pay a minimum level of superannuation for each eligible employee.

The minimum level of super you are required to pay is called the Superannuation Guarantee (SG). The current SG rate is 9% of your employees' Ordinary Time Earnings (OTE). This will increase to 9.25% in 2013/14 and progressively to 12% by the 2019/20 financial year (if the proposed legislation is passed).

You are not required to pay SG for employees who:

- > earn less than \$450 in any calendar month
- > are aged 70 years or over
- > are under 18 years of age and work less than 30 hours a week.

There are other employees who are excluded – visit the Australian Taxation Office's (ATO) website www.ato.gov.au for the full list.

You are not required to pay more than the maximum SG contribution base for each employee, which in 2010/11 is \$42,220 per quarter (this figure is indexed annually).

If your employees are covered by an award or an employment agreement

that specifies a contribution level higher than the 9% SG rate, then you must pay at that level.

It's important to be aware that the ATO imposes penalties for non-payment of SG. Refer to the *Employer Information Booklet* for details or contact the ATO on 13 10 20.

SG due dates

Many employers choose to remit their SG payments monthly, which means their employees will benefit from the frequent contributions into their accounts. Federal Government legislation requires that employers pay contributions at least every quarter to avoid penalties. For SG due dates, refer to the table below:

SG quarter	Due date for payment of SG
1 Jul – 30 Sep	28 Oct
1 Oct – 31 Dec	28 Jan
1 Jan – 31 Mar	28 Apr
1 Apr – 30 Jun	28 Jul



Small Business Superannuation Clearing House

As detailed in previous editions of *Employer News*, the Small Business Superannuation Clearing House provided by Medicare is up and running. If you run a small business then this might be an easy way to streamline your super payments and make your SG contributions in one simple electronic transaction.

This free service is available to businesses with less than 20 employees. If you have questions about the service or wish to register for it, visit: www.medicareaustralia.gov.au/super or call Medicare on 1300 660 048.

Don't forget, TWUSUPER offers its own clearing house solution which is ideal for larger companies. For further information call us on **1800 241 877**.

Managing super is easy

We understand that different employers use different software systems depending on their size and preferences. TWUSUPER offers a range of automated processes and flexible payment options that allow you to choose the contribution method that best suits your business.

Our payment options include:

- > BPAY®
- > Electronic Fund Transfer (EFT)
- > cheque
- > direct debit.

We provide all our employers access to our secure *EmployerAccess* website so you can check, update and submit your contributions online, register new staff and check and edit details for existing staff. Log in to *EmployerAccess** at www.twusuper.com.au

If you have any queries, contact one of our Business Development Consultants (see back page for details). They can help you over the phone or can visit you at your office.

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TWUSUPER wins award

TWUSUPER recently upstaged a strong field of super funds (industry and retail based) to win the 2010 prestigious Rainmaker 'Best Integrated Campaign' Award for the Super Tips education campaign.

Launched in June 2010, the *Super tips for any age* initiative aims to deliver simple and relevant age-based super tips to TWUSUPER members.

The initiative provides free Super Tips booklets in portable stands, currently being distributed at workplaces. A dedicated website at www.hardworkingsuper.com.au contains handy links to forms and tools for you and your employees' convenience.

If you would like to order Super Tips booklets in display units for your workplace, at no cost to you, simply contact your local TWUSUPER Business Development Consultant (please refer below for their details).



TWUSUPER has teamed up with SuperFriend

Because our members' health and wellbeing are important to us we've teamed up with SuperFriend – a partnership between industry funds, insurance providers and mental health service providers. SuperFriend aims to help improve the wellbeing of industry super fund members by raising awareness of mental health issues and providing guidance for people who are seeking help.

The SuperFriend website at www.superfriend.com.au contains supportive information for members and employers including news, fact sheets, links to relevant organisations and life stories.



Arriving soon...

Your employees who are TWUSUPER members will start to receive their mid-year contribution statements (for the year ended 31 December 2010) from the end of February.

Need help managing super in your workplace?

TWUSUPER's Business Development Consultants are available to answer your questions about your employees' super. To talk to one of our Business Development Consultants, simply call one of the numbers below.

NSW, ACT

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E Michael_Darmanin@twusuper.com.au

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Locked Bag 5094
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> Low fees > Run only to benefit members > No commissions