



TWUSUPER
Hardworking super for people in transport



employernews

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Super changes announced in the 2010 Budget

In the 2010 Federal Budget, the Government confirmed a number of superannuation changes that were announced previously in response to the Henry Review (officially known as Australia's Future Tax System Review). These changes include:

Superannuation Guarantee to increase

The Superannuation Guarantee (SG) is to gradually increase from 9% to 12% by the 2019-2020 financial year, helping Australians to save more money for their retirement. The change is being implemented slowly to allow employers time to budget for the increase.

INCREASES TO SG RATE

Year	Rate (%)
2013-14	9.25
2014-15	9.5
2015-16	10
2016-17	10.5
2017-18	11
2018-19	11.5
2019-20	12

SG age limit to increase

Currently employers are not required to make SG contributions for an employee once he or she has reached the age of 70. Commencing 1 July 2013, the SG age limit will increase from 70 to 75. There's still some time before the increase comes into effect, giving you time to plan for this change.

Low-income earner's contribution

A new Government superannuation contribution of up to \$500 will be paid for low-income earners (that is, people who have an adjustable taxable income of up to \$37,000 p.a.) for concessional superannuation contributions made from 1 July 2012. The payment aims to help low-income earners put more money into their super by covering the tax paid on their SG contributions.

Concessional contributions limit to be extended

The transitional concessional contributions limit of \$50,000 p.a. for people aged 50 or over will be extended past 30 June 2012 (on a permanent basis) for those with total superannuation balances of less than \$500,000.

Please note, at the time of preparing this newsletter the changes remain budget announcements and are yet to pass into legislation.

Investment Update: The 2009-10 year in review

REPORT BY TWUSUPER CHIEF INVESTMENT OFFICER >>

The strong returns achieved by asset classes, both growth and defensive, in the 2009-10 financial year mask the fact that the last financial year was a volatile period of two very distinct parts for investment markets.

For global equity markets, it was a case of the post-GFC (Global Financial Crisis) rally - which began in March 2009 - pushing markets higher for the first nine months of the financial year, before a sharp retraction in the last quarter saw returns plummet more than 10%.

Despite this dramatic sell-off, most developed markets posted strong gains for the year as a whole. The Australian

share market returned approximately 13%, the US 14.3%, the UK 19.6%, and global markets as a whole 14.7% (as measured by the various MSCI indices). A notable exception was the Japanese market, which fell more than 7%.

The positive sentiment that had powered the rally in share markets globally began to wane in January, as the Greek sovereign debt crisis unfolded and US economic data became mixed. By April, sentiment had turned very negative because of the spread of the Greek debt malaise to other European countries and as fears increased about the extent and timing of the global economic recovery.

These fears contributed to making investors more risk-averse, which was the catalyst for the substantial sell-off in growth assets and the subsequent flight

to the safety of defensive assets over the last three months of the financial year. This flight to safety boosted global fixed interest market returns to over 11% for the year and the domestic market to approximately 8%.

On a more positive note, investment market strategists are optimistic about the outlook for the Australian share market in the medium to long term. Despite the present gloom, strategists believe that the local equity market offers attractive opportunities, with the market currently trading below its long term average price earnings ratio. However, for this to translate into solid returns, concerns regarding sovereign default in Europe and the pace of economic growth in the US and China will need to be assuaged.



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Swamped with super questions from your staff?

We know that your employees have lots of questions about super. TWUSUPER's Client Relations Officers are employed by the Fund to answer questions about TWUSUPER and super in general, and can also help members fill out paperwork. They can visit your employees at their workplace or their homes, or talk to them over the phone.

We've designed a postcard to spread the word about the types of free personal service the Client Relations Team offers to your employees. Call a Business Development Consultant (details on the back page) and we'll send you as many postcards as you need.



Simpler, easier, faster...
An improved EmployerAccess website is on the way



We're excited to announce that an upgrade to the EmployerAccess website is underway.

Processing super contributions will become a whole lot easier with a new intuitive and easy-to-use website.

We're working on a range of new features that will make it easier for you to pay

employee contributions, keep up-to-date records and access your latest account information.

In just three simple steps, you can update employee records, submit your contribution return and confirm your payment - easy!

Keep an eye out for more updates as we get closer to launching the improved EmployerAccess experience.

Arriving soon...

2010 Member Benefit Statements and the Fund's Annual Report

Look out for our Annual Report which will be available on the Fund's website from late September.

Your employees who are TWUSUPER members will also start receiving their 2010 Annual Benefit Statements and the latest edition of Gearing Up from late September.



Small Business Superannuation Clearing House

In February's edition of *EmployerNews*, we talked about the Small Business Superannuation Clearing House, a Federal Government initiative. This free service is run by Medicare Australia for small businesses with fewer than 20 employees.

Registrations opened in May 2010 and the full clearing house service has been operational since 1 July 2010.

If you run a small business you can streamline your superannuation payments and make Superannuation Guarantee (SG) contributions in one simple electronic transaction. Contributions are then sent to each employee's chosen superannuation fund.

This service provides an easy and convenient way for you to meet your

SG payment obligations, saving time and paperwork.

If you have questions about this service, or wish to register for it, visit: www.medicareaustralia.gov.au/super or call Medicare on 1300 660 048.

Of course, TWUSUPER offers its own clearing house solution, which is ideal for larger companies. For further information, call us on 1800 241 877.

Government co-contribution to remain as is

As well as the proposed changes outlined on page 1, the Federal Government has passed legislation to leave the co-contribution unchanged.

That is, the co-contribution rate will remain at 100% on a permanent basis, payable on an individual's eligible personal non-concessional superannuation contributions up to \$1,000.

The current lower income and higher income thresholds will be

frozen at \$31,920 and \$61,920 for two years (2010-11 to 2011-12). The co-contribution decreases by 3.33 cents for every \$1 a person earns over \$31,920 p.a. and phases out altogether when their income reaches \$61,920 p.a.

Tips to help your employees maximise their super savings

The Fund has developed a helpful educational resource for your employees. The booklet - *Super tips for any age* - contains tips on how your employees can make their super work harder, no matter what age they are.

The tips in the booklet are targeted at the various life stages. So whether your employees are Generation Y, Generation X or Baby Boomers, they can see what they can be doing now to help them get the most out of their super.

The free booklets are stored in a portable stand. These self-contained display units can be placed around the workplace for your employees - such as in a lunchroom. You also have the option to distribute the booklets to staff.

If you would like to order display units (containing 18 booklets) or bulk order the booklet for your workplace, at no cost to you, simply contact your local Business Development Consultant (please refer below for details).



We've been here for 25 years... and we're here for the long term

Did you know that TWUSUPER has been around for 25 years? In the mid-1980s, TWUSUPER (then known as the TWU Superannuation Fund) was born following lengthy negotiations between ARTIO, the TWU, the ACTU and the ALP Federal Government.

Events of the early 1980s leading up to the second Accord between the ACTU and the Government laid the foundations for the development of a super fund specifically for transport industry workers.

In June 1986, the Australian Conciliation and Arbitration Commission (now Fair Work Australia) determined that superannuation could be considered under awards.

These were challenging times, but in

the end, TWUSUPER was the very first superannuation fund to be ratified under an award. We have continued to blaze a trail ever since!

We've come a long way since those initial years and are proud to be the leading industry super fund for transport offering solid returns, low fees and a range of support services for our employers and members.

Need help managing super in your workplace?

TWUSUPER's Business Development Consultants are available to answer any questions you have about managing super in your workplace. To talk to one of our Business Development Consultants simply call one of the numbers below.

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Rommie Redlich
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→ Low fees → Run only to benefit members → No commissions

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