

Special Edition!

Super News: Spring 2010



Transuper

Hardworking super for people in transport

Gearing up

**Super tips
for any age**

**Simple things you
can do to boost
your super**

& more inside:

- investment update
- our 25 year celebrations





From the Chairman >>

A more positive year for your super investment

The 2009-10 financial year brought a significant and welcome recovery in investment returns, which you will see reflected in your Annual Benefit Statement.

However, the financial year ended with widespread weakness in equity markets, driven initially by events in Europe. While the outlook for the Australian economy continues to be positive, concerns remain about the pace of economic growth in the US and Europe. You can read more about investment market performance on page 4.

A year of reviews

The year has also seen the completion of a number of Government-initiated reviews that may lead to some of the most significant changes to superannuation since the introduction of the Superannuation Guarantee.

The Henry Review considered Australia's entire taxation system, and made recommendations to position Australia to deal with the demographic, social, economic and environmental challenges of the 21st century. The Government's response to the Henry Review reflects substantive and positive change, with the adequacy of retirement savings a clear

concern. If legislated, the increase to the Superannuation Guarantee rate from 9% to 12% by 2019-20 will help address the adequacy issues that exist today.

The Cooper Review considered the governance, efficiency, structure and operation of super in Australia. The focus of the final report handed to the Government is on a simplified superannuation architecture as well as efficiencies within the system, with the objective of reducing costs. We are yet to see which of the many recommendations the Government may adopt.

We're celebrating 25 years

This year we celebrated the Fund's 25th birthday - a significant milestone, and something we're very proud of.

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

We look forward to servicing our members for the next 25 years - and beyond.

David Galbally QC
Chairman

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In the 2010 Federal Budget, the Government announced a number of changes to super, including:

- ▶ an incremental increase to the Superannuation Guarantee (SG) to 12% by the 2019-20 financial year
- ▶ an increase to the SG age limit from 70 to 75 from 1 July 2013
- ▶ a new Government super contribution of up to \$500 per year for low income earners from 1 July 2012
- ▶ an extension to the concessional contribution limit of \$50,000 p.a. for people aged 50 or over past 30 June 2012, for those individuals with a total superannuation account balance of less than \$500,000.

Read all about the proposed changes in the *Important information about changes to super* sheet that's enclosed in your Annual Benefit Statement pack. Please note, at the time of producing this document, the Budget proposals set out above had not been passed into legislation.



Investment update >>

Transuper Chief Investment Officer

The 2009-10 year in review

The strong returns achieved by asset classes in the 2009-10 financial year, both growth and defensive, 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.



Super tips for any age

To help you make the most of your super, we've developed some handy super tips.

No matter what age you are, there are things you can do now that will help to give you the lifestyle you seek once you stop working.

Simply turn to the page for your age group to see what you can do to boost your super savings.

SUPER TIPS FOR ANY AGE GOES ONLINE

Check out our special 'Super tips for any age' dedicated website: www.hardworkingsuper.com.au

You'll find lots of useful information and tools to help you put the super tips into action.



If you're 18 to 30 years of age:

Getting your super started

When you're young, a few small decisions and actions can make a huge difference to your super later in life.

The longer your money is invested, the more time you have to take advantage of compound interest. Compound interest simply means that you're earning interest on your interest - and over time, this snowball effect can seriously boost your savings.



"PAYING ATTENTION TO MY SUPER NOW WILL PAY OFF BIG TIME LATER ON."

TIP 1

Invest for the long term

Super funds like Transuper let you choose how your super is invested. Making an investment choice early on can make thousands of dollars difference to your super in the end.

At your age, super is a long term investment that usually suits a growth or balanced investment strategy. Investing, like other things in life, means you have to give something to get something. Choosing a high return strategy means there's a greater risk of low or negative returns in the short term, but over time, the good years outweigh the bad.

Talking to a professional financial adviser can help you to choose an investment strategy that's right for you.

TIP 2

Keep your super in the one fund

Consolidating all your super into the one account means you won't pay multiple fees and charges, which can eat away at your super. There are the added advantages of less paperwork and less chance of losing track of your super. If you change jobs (and even if you move industries) you can ask your new employer to direct your contributions to Transuper.

TIP 3

Get a super bonus from the Government

If you can get a super top up from the Government, why not take it? If you earn less than \$61,920 a year (for 2010-11 and 2011-12) and put some of your own after-tax money into super and meet some other conditions, the Government will match your contribution, dollar for dollar - up to a maximum of \$1,000.

The co-contribution is a real bonus - and remember, even a small amount in extra contributions now can make a big difference in the long run.

TAKE ACTION

Go to www.hardworkingsuper.com.au for more information and to access handy tools and forms to help you manage your super.

You can also phone Transuper on **1800 808 799**.



If you're 31 to 40 years of age:

In your 30s, life is busy

By now you're fairly established career-wise; you may have changed jobs a couple of times, or more.

You probably also have a few more responsibilities like marriage, kids and a mortgage. Super may be the last thing on your mind, but now is the time to make sure you're heading in the right direction.



"SORTING OUT MY INSURANCE MEANS I HAVE ONE LESS THING TO WORRY ABOUT."

TIP 1

Make sure you're covered

You probably insure your house, your car and your health, so it makes sense to insure your life and your income as well (and protect the assets you've worked hard for).

Transuper's basic insurance cover (most people qualify for this when they join the Fund) is a safety net for you and your family's finances if you become disabled, terminally ill or die - but it probably won't be enough to cover all of your expenses. Visit www.hardworkingsuper.com.au for more information on boosting your cover.

TIP 2

Bring it all together

Are you one of the millions of Australians who are throwing away hard earned cash by paying multiple fees on multiple super accounts? Rolling your super accounts into Transuper is quick and easy. That's a decent return for half an hour's work!

Go to www.hardworkingsuper.com.au to personalise and print your own rollover forms, or call us on **1800 808 799** to request copies.

TIP 3

Take advantage of the Government's super bonus

Don't say no to free money! The Government's co-contribution is one of the quickest ways to build your super if you earn less than \$61,920 a year (for 2010-11 and 2011-12).

Just put some of your own after-tax money into super and, if you meet other conditions, the Government will match it - up to \$1,000 each year, depending on your income.

TAKE ACTION

Go to www.hardworkingsuper.com.au for more information and to access handy tools and forms to help you manage your super.

You can also phone Transuper on **1800 808 799**.



If you're 41 to 54 years of age:

Retirement gets real

Now is the time to take stock and make sure your super is on track.

You're getting closer to retirement, but it's unlikely you're ready to stop working yet. There's still plenty of time to make a difference to your super payout.



"ADDITIONAL CONTRIBUTIONS WILL REALLY BOOST MY SUPER SAVINGS."

TIP 1

Top up your super

Australians are living longer, which means your super has to go the distance. The good news is that it's never too late to increase your super savings.

Topping up your super with personal contributions can boost your super payout. You can make contributions either before or after tax - the details and benefits of each can be found at www.hardworkingsuper.com.au

TIP 2

Take control

There's an old saying, 'Fail to plan and you plan to fail'.

Sit down for half an hour and put your plans on paper. When do you want to retire? Will you spend less or more once you stop working? How much money will you need for the lifestyle you want?

You may like to talk to a financial adviser to help you with your future plans. As a Transuper member, you can access affordable financial advice with Money Solutions.* Your first single-issue super advice, via phone, is free. Call **1800 808 799** for more information.

* The Trustee is not responsible for, and does not accept liability for the products or services or actions of Money Solutions (AFSL 258145). You should use your own judgement before taking up any product or services offered by Money Solutions.

TIP 3

Revisit your investment strategy

Now's probably the time to have another look at how your super is invested. Does your current investment strategy suit your needs?

On the one hand, you want to protect the super you already have from negative returns. On the other hand, a low risk strategy might not do much to grow your account balance in the years ahead.

It's always a good idea to think carefully before you make any changes to your investment strategy, and seek financial advice if you need it.

TAKE ACTION

Go to www.hardworkingsuper.com.au for more information and to access handy tools and forms to help you manage your super.

You can also phone Transuper on **1800 808 799**.



If you're 55 years of age or over:

Pay less tax and boost your super

Once you turn 55 you are eligible for extra tax benefits and can move some of your super to a pension.

It's important to understand the tax breaks and options that are available to you, so that you can make the most of your super savings.



"THE TAX BENEFITS OF A SUPER PENSION ARE A REAL BONUS."

TIP 1

Take a look at a super pension

Superannuation pensions turn your super into regular, tax effective income whether you are retired or still working. Pension payments are tax free once you reach 60 and are taxed at a concessional rate if you are under 60 and permanently retired for superannuation purposes. Investment earnings are also tax free.

If you are 55 years or older, Transition to Retirement pensions allow you to turn some of your super into regular income while you are still working. They are a good option if you want to reduce your working hours, as payments from your pension can help you cover the gap in your salary, while you gradually ease into retirement.

TIP 2

Boost your super

The more money you have in your super account now, the better. You can boost your super with voluntary contributions made before or after tax. It's good to know that once you're over 50 the Government's limit for concessional contributions is more generous, allowing up to \$50,000 in contributions at the 15% contributions tax rate (until 30 June 2012).

TIP 3

Make time to get good advice

Talking with a professional financial adviser can help you understand the options that are available to make your retirement as comfortable as possible - like transitioning to retirement, tax effective investments using salary sacrifice, and making the most of Government benefits.

As a Transuper member, you can access affordable financial advice with Money Solutions.* Your first single-issue super advice, via phone, is free. Call **1800 808 799** for more information.

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Fund news >>

25 years on, and here for the long term

Did you know that the Fund has been around for 25 years?

In the mid-1980s, the Fund (then known as the TWU Superannuation Fund) was born following lengthy negotiations between the ARTIO, TWU and 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 the TWU Superannuation Fund 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 services for our employers and members.

**More info >>****Looking after your health and wellbeing**

Your health and wellbeing is important to us. So we're involved in Superfriend, which is a partnership between industry super funds, insurance providers and mental health service providers. We're working together 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.

There's a wealth of supportive information, including news, fact sheets and life stories on the Superfriend website: www.superfriend.com.au

Looking for some financial advice?

As a Transuper member, you have access to affordable financial advice with Money Solutions.* In fact your first single-issue super advice, via the phone, is free. Fees for further advice about super can be paid from your Transuper account.

Call **1800 808 799** for more information.

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Looking for the annual report?

Instead of it being enclosed with your Annual Benefit Statement pack, you can now find the Fund's annual report online at www.transuper.com.au

Providing the annual report online is environmentally friendly and allows us to keep print and postage costs down. However, if you would like a printed copy of the Fund's 2009-10 annual report, simply call us on **1800 808 799** and we'll be happy to send you one.

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Need some help with your super?

Call your local Client Relations Officer for more information or help with your super paperwork. It's a free service. They will be happy to assist you at a time and a place that suits you, whether that's at your work or home.

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