

super MATTERS

Summer 2011

The year in review
Core Super changes to unitisation
Keeping on top of your
super obligations
How many super accounts
do you have?
A fresh new look



100%
INDUSTRY
SUPER



 **intrustsuper**
at your service

A message from the CEO

Welcome to the final edition of SuperMatters for 2011. It's been a big year for the super industry, with ongoing market volatility and the changes stemming from the various government reviews into superannuation being front of mind for most super funds. It's also been a big year for Intrust Super, culminating in our award for 'Best New Innovation' and our nomination for 'Super of the Year' at the SuperRatings annual awards in October. You can read more about these awards and other highlights for the year in our 'Year in Review' article.

To ensure we can provide our members with the most up-to-date information about their accounts, we've recently implemented unit pricing for our Core Super product. Unit pricing already applies to our other products and is now regarded as best practice across the superannuation industry. You can find more about what this means for your employees on page 3.

In a recent article in The Courier-Mail, it was estimated that more than \$3 billion is sitting in lost super accounts in Queensland alone. On page 4, we discuss this issue and explain how you and your employees can find your lost super accounts and consolidate them in one easy step. In this edition, we also look at your employer super obligations and explain why it's more important than ever that you don't miss your quarterly payment deadlines.

We hope you enjoy this edition of SuperMatters. If you'd like us to cover a particular topic in future editions, email it through to us at info@intrust.com.au. We're at your service.



Chief Executive Officer



The year in review

2011 was another great year for Intrust Super with a number of highlights:

Intrust Super wins Best New Innovation

We are very pleased to announce that Intrust Super has been awarded this year's SuperRatings Best New Innovation Award for our Online Super Transfer Form, which allows members to find their lost super and then consolidate all of their accounts in one easy step.

This is the second year in a row we've been nominated for the award, having been nominated last year for our not-for-profit financial planning business, Intrust360°, cementing our position as one of Australia's most innovative and progressive super funds.

We were also nominated for this year's SuperRatings Super of the Year Award. This is a significant milestone in Intrust Super's history, and we are very proud to be recognised as one of the top 10 super funds in the country.



Strong investment performance

Intrust Super's investment returns for the 2010/11 financial year finished on a positive note, with our Balanced Option returning 8.4%, which not only exceeded the fund's objective for the year but also outperformed the SuperRatings all fund median return. This is a great result for our members, particularly given the ongoing volatility and uncertainty in global sharemarkets.

While sharemarket volatility remains, it's important to remember that superannuation is a long-term investment. One of the ways members can enhance their super benefit for the long term is by choosing a super fund that gives them value for money.

Intrust Super is proud to have been recognised by SuperRatings as a Platinum or 'Best Value for Money' fund for five consecutive years. This is a fantastic achievement for us and gives our members, and your employees, confidence that their superannuation is in good hands.

Intrust360° - Accessible advice for all

2011 saw the further development and enhancement of Intrust360°, our innovative not-for-profit financial planning business that was launched in 2010 with an online advice model that was the first of its kind in Australia. Intrust360° offers members three key benefits: free financial education through Learning360°, free online super advice through Super360°, and personal advice and coaching on more complex

financial strategies through Adviser360°. This service has been well received by our members and means we are now effectively a 'one stop shop', offering low fees, strong returns, competitive insurance options and free education and advice to help our members get the most out of their super.

Preparing for regulatory change

As you may be aware, there have recently been a number of government reviews into superannuation in Australia (e.g. the Cooper Review), and a range of administrative and legislative changes are expected to be implemented in coming years. We are continuing to assess the changes that may be required and will continue to keep you informed of any changes to processes or requirements as a result of compliance with any new legislation.

On behalf of the entire Intrust Super team, we'd like to say thank you to all of our employers for your continued support. We hope you have a happy and safe holiday season, and look forward to bringing you more highlights in 2012.

Core Super changes to unitisation

From 1 December 2011, the method for valuing investment options in our members' Core Super accounts will change from a crediting rate to unit pricing. This does not affect their benefit with us, but does mean that their account balance and transaction details are now expressed as units as well as dollars.

Unit pricing already applies to our other products and is now regarded as best practice across the superannuation industry. Under the unit pricing method, units will now be priced each week, which allows us to provide members with more up-to-date information about their account balances. Previously, Core Super members had to wait until the end of each financial year for their financial investment returns to be calculated.

Members can check the balance of their account at any time on their online MemberAccess account. They will be able to see the number of units they hold in each investment option, the current price per unit and the total value of their investment in dollar terms. They can also call us on 132 467 and we can help them calculate their account balance.



Keeping on top of your super obligations



One of the changes in this year's federal budget that didn't get as much air-time as some of the others was in relation to superannuation guarantee (SG) payments - or, more specifically, who's responsible if these payments aren't made.

Under the Australian Taxation Office's (ATO) director penalty regime, company directors may be personally liable if their company fails to meet its Pay As You Go (PAYG) obligations. From 1 July 2011, directors may also be personally liable if their company fails to meet its SG obligations. This means that the ATO can immediately commence recovery against directors if their company's SG payments are outstanding by three months or more. This is in addition to the existing Superannuation Guarantee Charge, which will also be payable.

While the main purpose of this legislation is to counter fraudulent 'phoenix' activity (whereby a company intentionally accumulates debt, liquidates to avoid paying this debt and then re-emerges as a new corporate entity), it does highlight the importance of meeting your SG obligations. This means paying super contributions for all eligible employees, correctly and on time.

Which employees do I need to pay super for?

Under the SG legislation, employers must contribute a minimum level of superannuation for their employees who meet the following criteria:

- Earn at least \$450 in a calendar month (or a lesser amount if specified in a relevant award). Under the Hospitality Industry (General) Award 2010, the amount an employee must earn is \$350 in a calendar month.

- Are less than 70 years old (unless contributions are mandated after age 70).
- Are over 18 or, if under age 18, are working at least 30 hours per week.

Once an employee reaches age 65, you can only make contributions to their super if they are a result of an industrial award or SG obligation (i.e. a mandatory contribution). They will also need to have worked at least 40 hours in a period of no more than 30 consecutive days during the same financial year.

Once an employee reaches age 70, you can no longer contribute to their super unless the contributions relate to salary paid before they turned 70.

How do I calculate how much super I need to pay?

The minimum SG level is equal to 9% of each employee's ordinary time earnings (i.e. the amount they earn for their ordinary hours of work), including over-award payments, commissions, shift-loading, allowances and bonuses.

If you need help calculating how much super to pay your employees, the ATO has an SG contributions calculator on its website at www.ato.gov.au.

When do I need to make payments by?

You must pay SG contributions for each of your eligible employees at least four times a year. The deadline for each quarterly payment is outlined below.

Quarter	Period	Payment cut-off date
1	1 July – 30 September	28 October
2	1 October – 31 December	28 January
3	1 January – 31 March	28 April
4	1 April – 30 June	28 July

Source: ATO

If you miss these deadlines, you'll have to pay the Superannuation Guarantee Charge, which is the amount that would have been payable plus interest on that amount and an administration fee (currently \$20 per employee per quarter). This charge is not tax deductible.

To ensure you're not caught out, consider paying your contributions online. Our secure employer site, EmployerAccess, allows our employers to set up monthly direct debit payments, so they never have to worry about missing a deadline. They can also easily add and remove employees and check their contribution history whenever they like.

Other obligations

As well as meeting your SG obligations, there are a number of other obligations you must meet in relation to super. For example, you must give your eligible employees a Standard Choice Form within 28 days of them starting work, and you must also allow them to change where their super is paid at least once every 12 months.

To ensure you understand all of your super obligations, including what records you must keep, visit the ATO's website at www.ato.gov.au.

How many super accounts do you have?

Thanks to the ongoing uncertainty in the global economy, Australians are saving more than they have in the past 20 years*. However, when it comes to super it seems we're much more relaxed, with nearly half of all Australians having money sitting idly in lost super accounts. In Queensland alone, it's estimated that up to 820,000 people have lost super, equating to a massive \$3.2 billion^.

And it's not just a case of people being unaware they've misplaced their money. Research has shown that nearly one in five of those with lost super know they have money in these accounts, but feel it's just too much hassle to track it down#.



However, if you're one of the many Australians that have lost super, it could be well worth your while to find it and consolidate it into one account. The more super accounts you have, the more fees you may be paying, which could make a significant difference to your retirement savings. You could also be paying premiums in your inactive accounts for insurance that you don't need. By consolidating your super, not only could you save money, but you'll also have less paperwork and your super will be easier to keep track of.

How do you 'lose' your super?

If your fund receives returned mail for you, or if there have been no contributions or rollovers into your account in the last five years, you may be considered a 'lost' member. If this happens, your super fund may transfer your super money into an eligible rollover fund, which may not meet your long-term financial objectives.

To ensure this doesn't happen, it's important to let your fund know if you change your address or start a new job. Most funds allow members to update their details and check their contributions online, so it's easy to keep your details up to date.

Find your money and start saving today

Don't lose your hard-earned money to the government! You can quickly and easily find your other super accounts through the ATO's 'Super Seeker' website. Simply enter your name, date of birth and tax file

number and you'll find any lost super you may have in seconds.

Once you've found your lost super, the next step is to consolidate your accounts. Your super fund will be able to provide you with the necessary forms to start this process. To make it even easier for our members, we've developed an innovative online tool that allows members to find their lost super and consolidate all of their accounts in one easy step, regardless of how many accounts they have. This tool, which we've named the Online Super Transfer Form, was recently awarded Best New Innovation at the SuperRatings annual awards night.

Finally, make sure your employer is paying contributions into your preferred fund. Most employers should be able to pay contributions into the fund of your choice. All you need to do is complete a Super Choice Form and give it to your employer. This form is available via the ATO website (www.ato.gov.au).

Getting your super under control can save you money in fees, cut down on paperwork and help you keep track of your money. So, if you think you might have some old super accounts out there somewhere, don't hand them over to the government – claim them and start saving more for your future.

* The Daily Telegraph, 'Australians saving more of disposable income than they have for 20 years', 19 July 2011.

^ The Courier-Mail, 'Hunt for mystery super millionaire', 23 October 2011.

Westpac national survey, June 2011.

A fresh new look

If you've visited our website recently, you may have noticed that we've made a few changes. This follows feedback from our employers and members and ensures everyone visiting our site can find what they need, quickly and easily.

As well as a fresh new look, our new site has a number of new features:

- Dedicated Employer and Member sections on our homepage, helping you find exactly what you need.
- Quicklinks to MemberAccess, EmployerAccess and Forms and Tools on every page.
- All the latest Intrust Super news is now published on our homepage, so you're kept up to date.

So, next time you visit our site, make sure you have a look around. If you have any feedback, we'd love to hear it – simply email us at info@intrust.com.au.

The screenshot displays the Intrust Super website homepage. At the top left is the logo 'intrustsuper with your future'. To the right is a phone number 'Phone: 132 467'. Below the logo is a navigation menu with links: 'For Members', 'For Employers', 'Products and Services', 'News', 'Forms and Tools', and 'Contact Us'. A search bar is located to the right of the menu. The main content area features a large banner with the text 'Need advice on your super? Stay right where you are.' and an image of a woman on a red sofa using a laptop. Below the banner is the headline 'At Intrust Super, your superannuation is in good hands.' and a paragraph of text describing the company's history and services. A sidebar on the right contains tabs for 'Employers' and 'Members', a list of services like 'My Employer Access', 'Forms & Tools', and 'Intrust360', and a 'Latest News' section. The footer includes a navigation menu, contact information, and three award logos: 'SUPER SATISFACTION', '5', and '9'.

Employee Tax File Numbers

100%
INDUSTRY
SUPER

*Pass on your
employees' Tax
File Numbers*

Intrust Super is encouraging employers to submit employee Tax File Numbers (TFN).

This prevents the Australian Taxation Office (ATO) from taxing their compulsory 9% employer contribution at a crippling 46.5% instead of the standard rate of 15%.

If an employer is paying more than \$1,000p.a. into their employees' super account but has not supplied their TFN to the super fund and the ATO, then all contributions will be taxed at a whopping rate of 46.5% instead of the standard rate of 15%.

For example, if a worker on an annual salary of \$35,000 does not provide their TFN, they could pay around \$1,000p.a. more in tax.

By not supplying employee TFNs it can also mean that staff members might miss out on their \$1,000 entitlement from the Federal Government's Co-contribution scheme.



Visit Level 15, 324 Queen Street
Brisbane QLD 4000

Mail GPO Box 1416
Brisbane QLD 4001

Fax 1800 603 234

Email info@intrust.com.au

At your service on

132 467

www.intrust.com.au

The information contained in this document is of a general nature only, and does not take into account your individual situation, objectives and needs. You should consider the appropriateness of the general information having regard to your own situation before making any investment decision. A Product Disclosure Statement is available at www.intrust.com.au or call us on 132 467 for a copy. While Intrust Super has no reason to believe that this information will not provide an accurate view of the material covered, Intrust Super does not accept liability for any errors or omissions in the content of this information.

The Trustee of Intrust Super is
IS INDUSTRY FUND Pty Ltd ABN: 45 010 814 623
AFSL No: 238051 | RSE Licence No: L0001298
RSE Registration No: R1004397
Intrust Super ABN 65 704 511 371
SPIN: HPP0100AU

IS Financial Planning Pty Ltd
ABN 64 143 707 439 trading as Intrust360°. Intrust360° is a corporate authorised representative of HN Financial Partners Pty Ltd ABN 16 088 547 077, AFSL 228969. Authorised Representative Number 379207.