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On 12 May 2009 the Federal Government delivered its second Budget which included a number of announcements affecting the superannuation industry. The changes were made in response to the ongoing global economic crisis as well as in response to our aging population. If you would like more information about any of these changes or need help to sort your super call our friendly Contact Centre staff on 132 467.

How might the changes affect Intrust Super members?

Concessional contribution caps reduced

From July 1, 2009 the amount people can voluntarily contribute to their superannuation savings before they pay tax (also known as concessional contributions) has been halved. This includes salary sacrificed super contributions and other employer contributions.

- for members under the age of 50, the concessional cap has been halved from its 2008/09 level of \$50,000 to \$25,000.
- for members aged 50 and over, the concessional cap has been cut from \$100,000 to \$50,000 until June 30, 2012, after which it will fall to \$25,000 in line with younger earners.

Concessional contributions may be accepted above the limits; however, they will be subject to excess contributions tax of 31.5% on top of the 15% that has already been applied to these contributions.

To determine how these limits may affect you moving forward please refer to the table below:

Financial Year	Members under age 50	Members age 50 and over
2007/08	\$50,000	\$100,000
2008/09	\$50,000	\$100,000
2009/10	\$25,000	\$50,000
2010/11	\$25,000*	\$50,000
2011/12	\$25,000*	\$50,000
2012/13 onwards	\$25,000*	\$25,000*

*Indexing rules yet to be confirmed

Lost Super Accounts

From 1 July 2010, lost super accounts of less than \$200 and accounts that have been inactive for more than 5 years will be automatically transferred to the Tax Office as unclaimed monies. The owner of these lost super accounts will be able to reclaim their money from the ATO at any time.

Temporary Reduction to Government Co-Contributions

The Federal Government announced in its Budget that it would temporarily cut the matching rate of its superannuation co-contribution scheme from 150% to 100%. This means anyone earning \$31,920p.a. or less will now receive \$1,000 for every \$1,000 voluntarily paid into their account – instead of the \$1,500 previously paid by the Australian Taxation Office (ATO).

For those earning above \$31,920p.a., the ATO gradually reduces its co-contribution rate on a pro rata basis, until it fully expires at the \$61,920 annual wage mark. Therefore, anyone earning above this rate is unable to access this benefit at all. The Government committed to gradually return to its 150% contribution rate within five years – or by the 2014/15 financial year.

This reduction is a temporary measure, designed to deliver savings of \$1.4 billion over the next four years for the Federal Government. The reduced rate will remain for three (3) financial years, before being increased to \$1.25 for \$1.00 in 2012/13, and then will return to \$1.50 for \$1.00 from 2014/15.

Personal contributions made by salary sacrifice are not eligible to receive the Government's Co-contribution. Personal contributions must be non-concessional (after-tax). For further information please contact us on 132 467 or refer to the [ATO website - www.ato.gov.au](http://www.ato.gov.au)

2009/10 Financial Year				
If your after Tax voluntary contribution is:	\$1,000	\$800	\$500	\$200
And your income is:	Your Government Contribution is:			
\$31,920 or less	\$1,000	\$800	\$500	\$200
\$37,920	\$800	\$800	\$500	\$200
\$41,920	\$667	\$667	\$500	\$200
\$45,920	\$533	\$533	\$500	\$200
\$49,920	\$400	\$400	\$400	\$200
\$53,920	\$267	\$267	\$267	\$200
\$57,920	\$133	\$133	\$133	\$133
\$61,920 or more	\$0	\$0	\$0	\$0

It is important to note that the following changes are Budget recommendations only. As such, there will be alterations to these measures before they are passed by Parliament. More information on these proposals will be provided if and when these announcements become law.

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