



Don't miss out on a super bonus from the Government

Lutheran Super  
You're valued

## Your 2015 super update

### Don't miss out on a super bonus from the Government

The Government wants to give you money. If you're eligible, now is the time to act.

If your total income is less than \$50,454\* for the 2015/16 financial year, you may, subject to satisfying other conditions set by the Australian Taxation Office (ATO), qualify for a co-contribution payment of up to \$500 to your super when you make after-tax super contributions.

You can make small regular after-tax contributions which can be easier than trying to find a lump sum to contribute when the end of the financial year rolls around. You can set up regular contributions using BPAY and your online banking. You'll find your personal BPAY reference number in your Lutheran Super online account. If you are eligible, for every dollar of your after-tax contributions, the Government will contribute 50 cents, up to a maximum of \$500.

All you need to do is complete and submit your tax return for the 2015/16. There is no other paper work to complete. The ATO will assess your return and whether you are eligible to receive the co-contribution and, if so, your co-contribution payment will automatically be paid into your Lutheran Super account.

The *Salary sacrifice / Co-contributions calculator* in the **Planning tools** section of the Lutheran Super website, [www.lutheransuper.com.au](http://www.lutheransuper.com.au) lets you compare the benefits of making before-tax contributions (and the tax savings) and after-tax contributions and, if you qualify, the potential Government co-contribution payment.

#### Inside you'll find:

- Don't miss out on a super bonus from the Government
- Pay fewer fees by consolidating your super
- Talk to the experts to help secure your financial future
- Have you got the right amount of insurance?
- 2015 investment update: the year in review
- Have a question?

Below is a table that outlines how much you could be eligible for:

Total annual income	After-tax contribution	Government co-contribution
\$35,454	\$1,000	\$500
\$37,449	\$867	\$434
\$39,444	\$734	\$367
\$41,439	\$601	\$301
\$43,434	\$468	\$234
\$45,429	\$335	\$168
\$47,424	\$202	\$101
\$49,419	\$69	\$35
\$50,454	\$0	\$0

Call the Helpline on **1800 635 796** if you'd like more information about qualifying for a co-contribution payment or to speak to a licensed financial adviser over the phone at no cost, about making extra contributions to your super. You can also find more information about Government co-contributions on the ATO website [www.ato.gov.au](http://www.ato.gov.au).

\* Total income includes assessable income, fringe benefits and reportable superannuation contributions.

## Pay fewer fees by consolidating your super

If you have more than one super account, by consolidating your super, into your Lutheran Super account, you may save by paying just one set of fees, as well as simplifying your super savings with only one account to keep track of.

You can consolidate online today; no paper forms or hassles, it only takes a few minutes.

Before rolling over, **be sure to check whether the other fund(s) charges an exit or withdrawal fee and if any important benefits like death and disablement insurance cover will be affected or lost.** It's also a good idea to speak with a financial adviser before making decisions about your super.

### How do I consolidate my accounts?

You'll need two pieces of information about the other account(s) you wish to bring together – you can find these on your other fund's benefit statement:

- The other fund's name or ABN
- Your membership or account number in the other fund

### Rollover in five easy steps

1. **Sign in** to your Lutheran Super account and go to **Contributions > Rollovers/Transfers in**
2. Search by **Fund name** or **Fund ABN**, select your other fund and click **Next Step**
3. Enter your **membership** or **account number** of your other fund
4. Specify how much you'd like to rollover - the whole account balance or a partial amount - and make sure you've read and understood the **Important information**, then click **Next Step**
5. Review details of your request before clicking **Submit**.

Once you've submitted your request for each account you want to consolidate, you'll receive a receipt number showing details of the request. We'll let you know when your request is complete. It's that simple.

If we don't hold your tax file number (TFN), you won't be able to make an online rollover request. You can check (and update) your TFN on the **Your current details** page after you have signed into your Lutheran Super account.

## Talk to the experts to help secure your financial future

The choices you make regarding your finances now can have a major impact on your financial future.

It is important to understand your financial position, and how you can make the most of your finances and lifestyle. It may be as simple as understanding how to boost your super savings, or juggle all the commitments you have to make sure your future is as comfortable as possible.

It may be an opportune time to get professional advice and set up a plan to make your money work hard for you both now and in the future.

As a Lutheran Super member you have access to a number of financial advice services.

### Advice through the Helpline at no cost

Simple advice about your super interest in the Fund is available on a range of common questions such as:

- Should I make additional contributions and should this be from before or after-tax salary?
- What is the right investment option for me?
- Do I have the right level of insurance cover?
- How am I tracking for retirement? How much might I have in retirement?

Call the Helpline to speak to an adviser, there is no cost to you for simple advice.

### Need more comprehensive advice?

If you're looking for more detailed personal advice, you can make an appointment with Johnston Grocke, a financial planning advice firm approved by the Trustee for provision of personal financial advice services to Fund members.

Johnston Grocke can help you with wealth building strategies, effectively transitioning to retirement, how to manage your money if you're looking at buying a property, or even taxation advice.

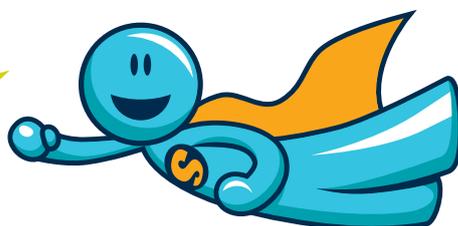
Their role is to advise members on how to achieve the best possible outcome for them.

Email [lutheransuper@jgg.com.au](mailto:lutheransuper@jgg.com.au) for more information or call **1800 007 920**.

### Not sure what advice will suit you best?

If you are not sure about the kind of advice you need, then simply call the Lutheran Helpline on **1800 635 796**.

For help with consolidating your super, call the Lutheran Super Helpline on **1800 635 796**.



## Have you got the right amount of insurance?

If you passed away or became unable to work due to disablement, how would your family cope financially? Not having adequate insurance cover can have disastrous consequences. People tend to put insurance cover in the 'too hard basket' but getting your insurance cover in order can really make a world of difference if you or your family ever need it.

### How much cover do you need?

If the unthinkable happened tomorrow, how much money would you or your spouse need to manage financially? What would you need to cover your mortgage, your children's education, other loans and debts, and living costs? You may even need to consider things like medical care and modifications to your home in the case of permanent disability. Will your current insurance cover be enough?

### What options are available to me?

Lutheran Super members have a number of insurance options available to them, including death and total and permanent disablement cover (TPD), Income protection (IP) and even automatic qualification for additional cover when major events happen in your life, subject to some conditions.

For information about your insurance options, read the *Membership guide* and *Member information booklet*, available on the website.

If you have any questions about your insurance cover, please call the Helpline on **1800 635 796**. If you'd like to understand how much cover you might need, call the Helpline to speak to a licensed financial adviser at no cost over the phone.

Don't forget to nominate your beneficiaries



## Be sure you take care of your loved ones: nominate your beneficiaries

You work hard, you save hard. So why not make sure you have a say in who benefits from your super when you pass away, by nominating your beneficiaries? In other words, a 'beneficiary' is a person you nominate to receive your super death benefit when you pass away.

Naming a beneficiary takes just a few minutes to do and costs nothing; you don't need to ask a solicitor or accountant for help. It is confidential and can be updated without fuss if your circumstances change.

### Two types of beneficiary nomination

There are two types of beneficiary nominations: non-binding and binding. For both nominations, your beneficiary must be a dependant (which includes your spouse, defacto, child, step-child) or your personal legal representative, in which case your benefit would be distributed according to your will.

A binding death benefit nomination is valid, subject to meeting certain requirements, for three years, after which time it must be renewed or updated. If a valid binding death benefit nomination has been made, the Trustee must pay the benefit to the person or persons nominated in the proportions specified in the nomination.

If a non-binding death benefit nomination is in place, the Trustee will take your nomination into consideration but still has discretion in determining to whom a death benefit should be paid and in what proportions after taking your personal circumstances into account.

If there is no nomination in place, the Trustee will decide how your benefit is paid.

### Making a nomination

You can set up a **binding beneficiary nomination** by downloading the *Making a binding death benefit nomination* form on the Lutheran Super website under the **Forms & publications** section.

Alternatively you can make a **non-binding beneficiary nomination** through your online account, over the phone by calling the Helpline or by completing and returning a *Making a non-binding death benefit nomination* form from the website.

## 2015 investment update: the year in review

With the rocky start to 2016, it is hard to remember that 2015 wasn't a bad year – and careful portfolio construction and asset allocation was rewarded.

Unhedged overseas shares was the key standout performance among the major asset classes, returning 11.8% in 2015, above its long term averages. Australian shares and emerging markets didn't perform as well as both have a large exposure to commodities, as well as the Chinese economy, which were out of favour in 2015.

### Central banks go separate ways

Key developments in 2015 included:

- the European Central Bank's (ECB) introduction of quantitative easing, which is when a central bank purchases government securities or other securities from the market in order to lower interest rates and increase the supply of money;
- the continuation of a large stimulus program in Japan and
- the first interest rate hike in the United States for 10 years.

The combination of these actions, referred to in financial market circles as "monetary policy divergence", was one of the defining developments of 2015 for investment markets.

Despite fears that the first interest rate increase in the US since the Global Financial Crisis would weigh on markets, the response was subdued, largely because the hike was widely expected.

In the month of December, monetary policy decisions from the ECB and Bank of Japan (BoJ) had a much bigger impact on markets than the US Federal Reserve.

Despite prior statements by ECB President Mario Draghi, the bank surprised markets by leaving its monetary easing program unchanged. An extension of the program meant a small cut to a key benchmark interest rate failed to satisfy investors.

The BoJ was not expected to increase the size of its easing program, so its December announcement of some "technical adjustments" also met with a negative market response, sending Japanese shares lower and the yen higher.

### China's 2015 performance

Investors were kept on their toes throughout 2015 because of weakening Gross Domestic Product (GDP) growth in China as authorities continued to encourage growth by consumption rather than investment activity – while at the same time China was tackling both corruption and pollution problems. GDP growth in this large but poorly understood economy finished the year at 6.8% year-on-year, down from 7.3% in the previous year.

The rollercoaster ride in Chinese equities, which had little connection to the real economy in China, also gained a lot of attention and media headlines during 2015. While the first half of the year saw a positive performance, the market essentially crashed in the third quarter, but for many global investors dramatic headlines were really the extent of the damage, due to their limited exposure to Chinese shares. However, the headlines did damage sentiment globally.

### The falling price of oil

Commodity prices, including oil, have fallen dramatically.

Oil prices dropped 11% to \$37 in December 2015 alone, taking its 2015 losses to 31%. That followed a dismal 2014 when oil fell by 46%.

High supply from the US shale oil boom and reluctance from the Saudis and other Middle Eastern producers to cut supply, maintained downward pressure on the commodity. Demand for oil is also estimated to be falling as industrial activity in China and other emerging markets slows.

### At home in Australia

Commodity prices, a key export for Australia, fell dramatically due to decreased demand from China. This, combined with a narrower interest rate difference between Australia and other economies, caused the Australian dollar to fall substantially against other major currencies.

Falling mining investment remained a drag on growth and the Australian economy continued to adapt to a slower growth environment. The Reserve Bank of Australia (RBA) cut the cash rate twice during the year to help support the economy's transition to a post-mining boom.

The housing sector remained strong, with large price gains in Sydney and Melbourne in particular, combined with ultra-low interest rates which supported high building approvals and construction activity. Meanwhile, wage growth continued to slow, putting pressure on household incomes.

The biggest surprise over the year was probably the strong gain in employment, which rose the most since 2006. With housing activity appearing to have peaked, mining investment continuing to fall and income growth weak, it is likely that the Australian market will face a challenging 2016.

\* Mercer Investment, December 2015



## Lutheran Super performance to 31 December 2015

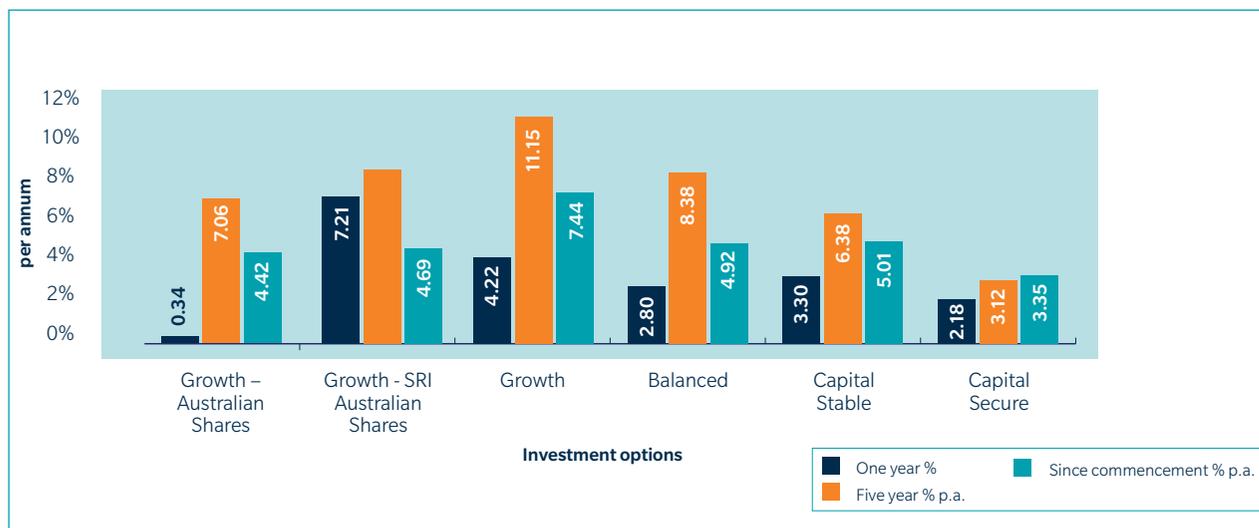
The following graphs show the investment performance, after tax and fees, for all the Lutheran Super investment options for one, five and ten years to 31 December 2015. Graph 1 shows returns for members with superannuation accounts and Graph 2 shows the returns for account-based pension accounts.

Graph 1: Lutheran Super investment returns to 31 December 2015 for superannuation members

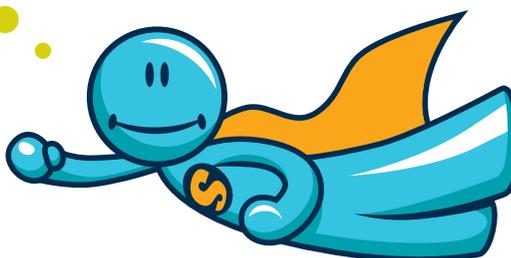


Graph 2: Lutheran Super investment returns to 31 December 2015 for pension members

Lutheran Super pension investment options became available from 1 July 2008, so the ten year average returns are not available. The average annual returns for one, five years and since commencement are shown.



Lutheran Super performance in 2015



## Have a question?

If you need assistance with your super or would like to speak to a financial adviser for limited personal advice, call the Lutheran Super Helpline on 1800 635 796. Or visit the website, [www.lutheransuper.com.au](http://www.lutheransuper.com.au) for latest news, information and investment updates.

You can also send a query online by visiting the website, clicking the 'Contact us' tab and completing the online enquiry form.



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