

SUPER INFO

Spring 2012



Welcome to the Spring 2012 edition of Super Info

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Funds SA Investment Strategy changes

Due to ongoing volatility in financial markets resulting from the global financial crisis, our investment manager, Funds SA, has made some changes to the strategies of the Scheme's investment options.

The changes have an emphasis on decreasing the allocation to more volatile growth assets (eg shares listed on Australian and international markets) with an offsetting increase in mid-risk assets which have both defensive and growth characteristics (eg property and corporate credit) as well as infrastructure.

Financial markets continue to be monitored closely with the strategy refined by Funds SA where appropriate.

Review your Investment Options

In light of these changes, we recommend members review the accumulation account investment options available to them and seek advice from a licensed Financial Planner if considering switching options.

For detailed information see the investment page on our website www.samfs.superfacts.com or you can speak to the Manager, Mr Alan Kent on tel. 8204 3826.

If you are interested in finding out more about financial markets you may want to read the monthly investment commentary posted on the website. www.samfs.superfacts.com

The Co-contribution Scheme

Reductions have been made to the Government co-contribution scheme for 2012-13. Refer to the table below to see what's changed:

Financial year	Maximum payment	Matching rate	Lower threshold	Higher threshold
2011-12	\$1,000	100%	\$31,920	\$61,920
2012-13	\$500	50%	\$31,920	\$46,920

Income Tax Rates for 2012/13

Taxable income	Marginal income tax rate ¹
Up to \$18,200	Nil
\$18,201 - \$37,000	19 cents for each \$1 over \$18,200
\$37,001 - \$80,000	32.5 cents for each \$1 over \$37,000
\$80,001 - \$180,000	37 cents for each \$1 over \$80,000
\$180,001 and over	45 cents for each \$1 over \$180,000

¹Rates shown do not include the Medicare levy of 1.5% and are for Australian residents only

Preservation Ages

For persons born	Your retirement age is
on or before 30/6/1960	55 years
Between 1/7/1960 and 30/6/1961	56 years
Between 1/7/1961 and 30/6/1962	57 years
Between 1/7/1962 and 30/6/1063	58 years
Between 1/7/1963 and 30/6/1964	59 years
from 1/7/1964	60 years

Protect yourself from investment fraud

Cold-call investment fraud, perpetrated by offshore, organised crime groups, is becoming a growing threat.

To combat this problem, Federal and state authorities have called on Accountants and Financial Planners to help. So, in order to protect yourself and your hard earned money, if you ever receive information about an investment opportunity, we recommend you always speak to your Accountant or Financial Planner before you make any investment decision.

Because remember, if it sounds too good to be true, it usually is.

What's the nature of the threat?

Criminals claiming to be investment brokers initially make telephone contact with victims. They build a rapport through regular telephone and email contact, and create a perception of legitimacy through:

- professional looking websites
- personal accounts for victims with login access
- regular reports about strong investment returns
- media releases, and
- in some cases, the delivery of professional looking documents via courier.

Victims are coerced into electronically transferring significant amounts of money to overseas bank accounts. As at June 2012, law enforcement had identified more than 2,600 Australians who had been defrauded of \$113 million in recent years. While the average individual loss is \$42,348, losses range from \$35,000 to \$4 million.

"Many of these investment scams are so professional and believable that it is hard to tell them apart from genuine investment opportunities." Australian Securities and Investments Commission (ASIC) Chairman Greg Medcraft.

Who is being targeted?

While anyone with savings to invest is at risk, victims are usually Australian males aged over 50 who have invested previously.

What is the Government doing?

The Australian Crime Commission Board has established a multi-agency task force to disrupt and prevent this form of organised fraud and to educate Australians about the threat it represents. The task force is working with key stakeholders in banking, financial advisory and superannuation industries to develop strategies to disrupt and prevent the crime.

How can you protect yourself?

- Always seek the advice of your licensed financial adviser before making an investment.
- Alert family and friends to this fraud, especially anyone who may have savings to invest.
- Report suspected fraud to the Australian Securities and Investments Commission, via www.moneySMART.gov.au or 1300 300 630, or your local police.

Any information that can be provided such as company name, location and contact details will assist with subsequent investigations and enquiries.

Hang up on unsolicited telephone calls offering overseas investments.

Visit www.moneySMART.gov.au or call 1300 300 630 for further information.

Super Lump Sum Tax – 2012/2013

The following table shows the maximum rate of tax payable on the taxable and tax-free components of a super lump sum paid to a member aged less than 60 years from the Scheme in 2012/13.

Age of recipient	Taxable component	Tax-free component
Under preservation age ¹	20% plus Medicare levy ²	Nil
Preservation age to 59	Tax free up to the low rate threshold of \$175,000 ³ for 2012/13. Amounts above the low rate threshold will be taxed at 15% plus Medicare levy ²	Nil
Age 60 plus	Nil	Nil

¹ Preservation age is 55 (or higher for those born after 30 June 1960).

² Medicare levy is 1.5% and applies to most Australian residents.

³ The application of the low rate threshold to super lump sums is capped. The low rate cap amount is reduced by any benefit taken which has counted towards the low rate threshold. This threshold is indexed in line with AWOTE in \$5,000 increments.

If you have not provided your TFN higher tax rates will apply.

The above rates will not apply and your benefit will be paid to you tax free, if your super lump sum benefit represents your total benefit and is less than \$200 and:

- you have terminated employment with your employer sponsor to the Fund and your preserved benefit at the time of termination is less than \$200; or
- you were a 'lost' member who was later 'found'

Where you are diagnosed with a terminal illness, your lump sum benefit may also be paid to you tax free.

Death Benefit Lump Sum Tax – 2012/2013

The following table shows the maximum rate of tax payable on a death benefit paid as a lump sum from the Scheme in 2012/13.

Who paid to?	Taxable component	Tax-free component
Tax dependant	Tax free	Tax free
Non-tax Dependant ¹	Taxable element - 15% plus Medicare levy ² Untaxed element – 30% plus Medicare levy ²	Tax free
Estate	Paid tax free to the estate. The legal personal representative of the estate must withhold tax if the benefit is paid to a non tax dependant.	Estate

¹ If the beneficiary does not provide his/her TFN the taxable component will be taxed at the top marginal tax rate (45% for 2012/13) plus 1.5% Medicare levy

² Medicare levy is 1.5% and applies to most Australian residents.

Important Check List Reminder

1

Change of Address Have you advised the Scheme of your change of address?

2

Nomination of Beneficiary Form Is your Nomination of Beneficiary form up to date?

3

Leave Without Pay Are you going on Leave without Pay? If so, all your insurance cover may cease.

4

Long Term Sick leave Members under age 60, is your sick leave due to run out?

5

Maternity leave Are you going on maternity leave? When your wages cease your insurances will be affected.

6

Working less than 15 hours per week For Permanent Fire-fighters working less than 15 hours per week, your insurance cover will be reduced to Death insurance only.

Death insurance will cease if you are working less than 10 hours per week..

7

Salary Sacrifice Forms Please ensure you send in original signed Salary Sacrifice forms to this office. If you fax your copies in, we still need the originals to be signed off by the employer before forwarding to Shared Services.

**Please advise the Scheme on any of the above and contact the Manager, Mr Alan Kent on 8204 3826 for any clarification you may require. Information is also available in the Member Benefit Guide on the website www.samfs.superfacts.com*

Note: *If you are on extended leave at any time, you can always access the Super Info on the website.*



Annual Report to Members

The Annual Report to Members for the year ending 30 June 2012 is now available on the website.

www.samfs.superfacts.com

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