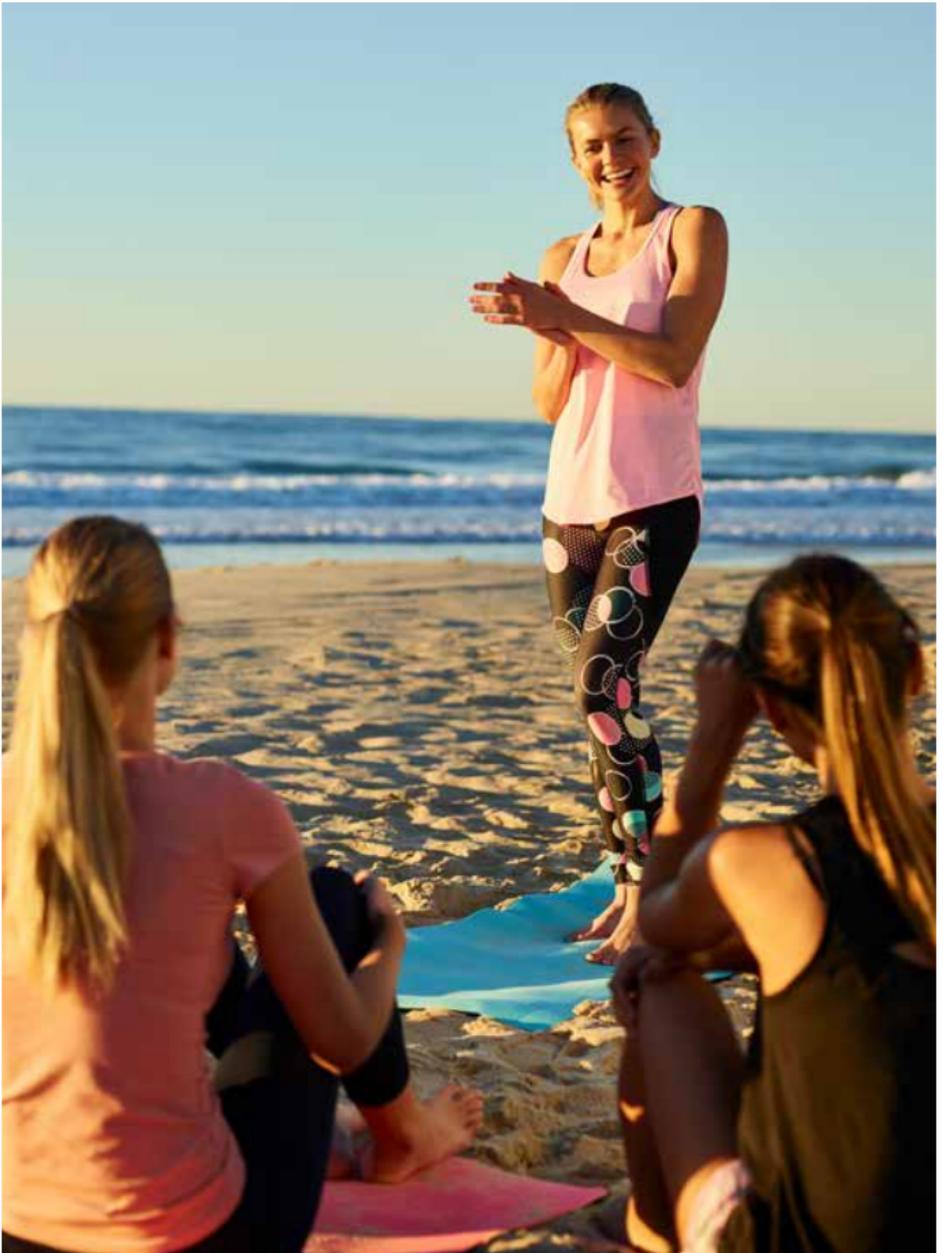




# Additional contributions.

July 2018



# Make sure you have enough super.

For many people, super contributions from their employer won't be enough for the lifestyle they would like in retirement. To make sure you have the lifestyle you want, start adding to your super now. You don't have to make large contributions, just what you can. Because even a few extra dollars today can make a big difference to what you'll enjoy tomorrow.

## Start early for bigger benefits.

Additional contributions can make a huge difference to your final super payout. Especially if you start early and take advantage of compound interest, or interest that you earn on your interest. Start contributing \$25 a week at age 20 and you could end up with an extra \$521,911 on top of the super your employer pays by the time you retire.

If you start adding \$25 a week to your super at	Age 20	Age 30	Age 40
Total amount added	\$58,500	\$45,500	\$32,500
Extra benefit at retirement	\$521,911	\$232,685	\$98,717

Source: JANA Investment Advisers Pty Ltd. Earnings are calculated at a compound interest rate of 8% p.a. with amounts being fully invested until age 65. These assumptions are for illustrative purposes only and don't account for fees and tax. Investment returns are not guaranteed. Returns can be higher or lower than set out in this example. This is not a prediction or estimate of actual retirement savings.

## Three ways to add to your super.

One effective way you could add to your super is to check if your employer allows you to make a contribution from your salary before it is taxed (salary sacrifice). Another strategy is to make an after tax personal contribution. If your employer doesn't allow you to salary sacrifice you may make an after tax personal contribution and claim a tax deduction, or if you have used up the full balance of the concessional cap in the relevant financial year, you may make an after tax personal contribution.

## Comparing salary sacrifice and personal contribution.

	Salary sacrifice	Personal contributions
Who makes the contribution?	Your employer makes the contribution on your behalf from your salary before it is taxed.	You make the contribution from your after tax salary.
How is the contribution made?	Your employer deducts the amount from your before tax salary and deposits it into your super fund.	You can choose to make contributions by direct debit, BPAY*, cheque or arrange payroll deductions.
What's the benefit?	Your contribution is taxed at 15%. Salary sacrifice also lowers your taxable income, so you might end up paying less tax.	If you're eligible, making a personal contribution will earn a co-contribution from the government.

## Making salary sacrifice contributions.

With salary sacrifice, you'll pay 15% tax on your contribution when it's deposited into your super because it comes from your before tax salary. This is instead of you paying tax based on your marginal tax rate, which could be up to 45% plus Medicare levy.

Salary sacrifice also lowers your taxable income, so you might end up paying less income tax. The table below shows how salary sacrifice can increase your super and decrease your tax.

	\$78,000* without salary sacrifice	\$78,000* with \$80 per week salary sacrifice
Compulsory employer contributions	\$6,767	\$6,767
Salary sacrifice contributions	\$0	\$4,160
Total super contributions	\$6,767	\$10,927
Contributions tax (15%)	\$1,015	\$1,639
Income tax (including Medicare levy)	\$16,122 (based on a taxable income of \$71,233)	\$14,687 (based on a taxable income of \$67,073)
Total tax paid	\$17,137	\$16,326
Total super contributions after tax	\$5,752	\$9,288

\* Total salary package of \$78,000. Based on income tax rate for 2018-19. Assumes superannuation guarantee of 9.5% is not reduced by employer as a result of salary sacrifice.

If your salary sacrificed super contribution is more than the minimum super guarantee amount that your employer is required to pay, then your employer is not required to pay an additional amount on top of the salary sacrificed amount.

## Before tax contribution limits.

Concessional contributions are before tax contributions such as superannuation guarantee (compulsory super contributions from your employer), salary sacrifice contributions and deductible contributions made.

There are limits on how much you can contribute to super to benefit from concessional tax rates. This limit is called the concessional contribution cap which is \$25,000.

Although you may contribute over this amount to Hostplus, you may incur a tax rate of 45% plus Medicare levy, plus an interest charge to recognise that this is collected later than normal income tax.

The concessional contribution cap for the 2018-2019 financial year is \$25,000. If you don't reach your annual concessional contributions cap of \$25,000, you can carry forward the unused portion for up to 5 years, provided your Total Super Balance<sup>1</sup> is less than \$500,000.

## Making after tax personal contributions.

With after tax personal contributions your contribution isn't taxed when it's deposited into your super. That's because it's already been taxed at your marginal tax rate. But if you're eligible for government co-contribution, making a personal contribution could earn you up to \$500 depending on your Total Super Balance<sup>1</sup> and how much you contribute and earn.

### How government co-contribution works.

Your maximum super co-contribution depends on your income and your Total Super Balance<sup>1</sup>. For the 2018-19 financial year, for every dollar of personal contributions you make, the government will add 50 cents to your super. If your income is equal to or less than the lower income threshold (\$37,697), you can get a co-contribution of up to the \$500.

For every dollar that you earn above the lower income threshold, your maximum entitlement is reduced by 3.333 cents. You cannot get a super co-contribution if your income is at or above the higher income threshold of \$52,697.

You must have a Total Super Balance<sup>1</sup> of less than the general transfer balance cap of \$1.6 million for the 2018-19 financial year.

Visit [hostplus.com.au/super/maximise-your-super/government-co-contributions](http://hostplus.com.au/super/maximise-your-super/government-co-contributions) for more information on how you could benefit from co-contributions.

### After tax contribution limits.

Non-concessional contributions are after tax contributions such as personal contributions.

You may make personal (after-tax) contributions to an annual limit of the \$100,000 cap.

To be eligible for the non-concessional contributions cap you must have a Total Super Balance<sup>1</sup> of less than \$1.6 million as at 30 June of the previous financial year.

If you are under the age of 65, you may be able to access a bring forward period for your non-concessional contributions cap of up to three times the annual cap in a single year, depending on your Total Super Balance<sup>1</sup> as outlined opposite:

**Your Total Super Balance<sup>1</sup>:** You may bring forward contributions to a maximum of:

- Less than \$1.4 million \$300,000
- Above \$1.4 million but less than \$1.5 million \$200,000
- Above \$1.5 million but less than \$1.6 million \$100,000
- Above 1.6 million you cannot make non-concessional contributions.

If you are over the age of 65 and under 75, may make non-concessional contributions up to the cap limit of \$100,000 if you have been gainfully employed for at least 40 hours in 30 consecutive days during the financial year.

Transitional arrangements apply to members who brought forward their non-concessional contributions cap in the 2015-16 or 2016-17 financial years but have not used their full bring-forward space before 1 July 2017.

If your non-concessional contributions exceed your non-concessional contributions cap for that year, or if at 30 June of the previous year, your Total Super Balance<sup>1</sup> equals or exceeds the general transfer balance cap of \$1.6 million, you will not be able to make additional contributions to your super.

1. Your Total Super Balance is the total value of your accumulation and retirement phase interests (including rollover amounts not yet included in those interests) across all of your superannuation accounts, reduced by the sum of any structured settlement contributions.

## Claiming a tax deduction for personal contributions.

If you are between 18 and 75 years old\*, self-employed or your employer does not offer salary sacrifice arrangements you can still contribute extra to super and enjoy concessional tax benefits by making a personal contribution from your after-tax salary and claiming a tax deduction. You can reduce your taxable income and the amount of income tax you pay by converting non-concessional personal contributions into concessional contributions. However you will have to be mindful not to exceed your contribution limits because you may pay extra tax.

If you claim a tax deduction for personal contributions made in a financial year, you may not be eligible for a Government co-contribution.

\* If you're aged 65 to 75, you will need to meet the work test in order to claim a tax deduction. You can only claim a deduction for contributions made before the 28th day of the month following the month in which you turned 75. If you're under the age of 18, you can only claim a tax deduction for super contributions if your income comes from operating a business or gainful employment.

## How to make additional contributions.

### Salary sacrifice contributions.

To arrange salary sacrifice payments, you need to speak to your employer. Some employers don't offer salary sacrifice or they might not be able to let you salary sacrifice if it brings your salary under the minimum prescribed amount under an award.

For more information, download our salary sacrifice guide from [hostplus.com.au/forms-and-brochures](http://hostplus.com.au/forms-and-brochures) or call 1300 467 875 for a copy.

### Personal contributions.

The easiest way to make personal contributions is to complete the direct debit form attached and return it to Hostplus. You can also make payments through BPAY® on SuperSite, arrange payroll deductions or simply call Hostplus for a contribution slip booklet to pay by cheque.

### How to claim tax deduction for personal contributions.

You must complete and send to Hostplus the ATO form **Notice of intent to claim or vary a deduction for personal super contributions (NAT 71121)** available from the ATO website. You must give the ATO form to Hostplus at the earliest of either the date you lodge your income tax return for the financial year in which you made the personal contribution, or at the end of the financial year following the year in which you made the personal contribution. Hostplus is required to acknowledge your request before you are able to claim a tax deduction.

Before you decide which option is best for your personal circumstances, you might want to speak to a Hostplus financial planner licensed by Industry Funds Services Ltd (IFS).

ABN 54 007 016 195 AFSL No 232514

Your first conversation with a Hostplus planner is included in your membership. Talk to us on 1300 467 875 or visit [hostplus.com.au](http://hostplus.com.au) to make an appointment today.

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**i Remember to provide your  
Tax File Number**

We need your Tax File Number (TFN) before we can accept personal contributions from you. If you don't supply us with your TFN, all personal contributions will be returned to you.

Also, your superannuation guarantee contributions from your employer and your salary sacrifice contributions will be taxed at 45% (plus Medicare levy), instead of just 15%.

To provide us with your TFN, simply head to [hostplus.com.au](https://hostplus.com.au) and submit it online or call 1300 467 875.

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# Member direct debit authority.

Office use only

July 2018

This form must be completed in full. Please use BLOCK letters and black or blue pen.

## 1 Provide request and authority to debit.

Hostplus membership number

Title

 Mr  Mrs  Ms  Dr  Other

Please specify

Gender

 Male  Female

Given names\*

Surname\*

Street address\*

Suburb

State

P/C

Email address

Phone number

Mobile number

Date of birth\*

I request and authorise Hostplus Administration (Australian Administration Services Pty Limited (AAS) ABN 62 003 429 114, the user, user ID number 116299) to arrange for any amount Hostplus Administration may debit or charge me through Bulk Electronic Clearing System from an account held at the financial institution identified below subject to the terms and conditions of the Direct Debit Request Service Agreement (and any further instructions provided below).

## 2 Set up your direct debit.

Financial institution name\*

Current address

Suburb

State

P/C

Name of account (for example John Smith)\*

BSB Number\*

Account number\*

## 3 Nominate debit amount.

Frequency of deduction\*

 Twice monthly  Monthly  Quarterly^  Yearly^

If you have selected twice monthly or monthly, when would you like the amount to be deducted?

Please note: If you have selected twice monthly please choose two dates.

Amount to be deducted\*

Amount in words\*

^ Please note: Quarterly direct debits will occur during the last week of the month ending each business quarter (March, June, September and December). Yearly direct debits will occur on the 28th day of the month received. If received after this date, direct debiting will occur on the 28th day of the following month.

- By signing this direct debit authority you acknowledge that you've read and understood the terms and conditions governing the debit arrangements between you and our administrator Australian Administration Services Pty Limited (AAS) ABN 62 003 429 114 as set out in this Request and in the Direct Debit Request Service Agreement overleaf.
- I acknowledge that I have read and understood the Direct Debit Service Agreement on the reverse of this form.
- By signing this form, I acknowledge that I've read and understand the relevant terms and conditions of my contribution.

Signature of applicant\*

Date\*

Faxed or scanned forms cannot be processed. However photocopied forms can be processed if signed with an original signature.

When you have completed this form please send it to: Hostplus, Locked Bag 5046, Parramatta NSW 2124 or give it to your employer to send with their next contribution to the fund.

### Direct debit request service agreement.

#### Definitions.

Account means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

Agreement means this Direct Debit Request Service Agreement between you and us.

Business day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

Debit day means the day that payment by you to us is due.

Debit payment means a particular transaction where a debit is made.

Direct debit request means the direct debit request between us and you (and includes any Form PD-C approved for use in the transitional period).

Us or we means Hostplus Administration (Australian Administration Services Pty Limited (AAS) ABN 62 003 429 114) you have authorised by signing a direct debit request.

You means the customer who signed the direct debit request.

Your financial institution is the financial institution where you hold the account that you have authorised us to arrange to debit.

#### 1. Debiting your account.

- 1.1 By signing a direct debit request, you have authorised us to arrange for funds to be debited from your account. You should refer to the direct debit request and this agreement for the terms of the arrangement between us and you.
- 1.2 We will only arrange for funds to be debited from your account as authorised in the direct debit request.
- 1.3 If the debit day falls on a day that is not a business day, we may direct your financial institution to debit your account on the following business day.

If you are unsure about which day your account has or will be debited you should ask your financial institution.

#### 2. Changes by us.

- 2.1 We may vary any details of this agreement or a direct debit request at any time by giving you at least 14 days' written notice.

#### 3. Changes by you.

- 3.1 Subject to 3.2 and 3.3, you may change the arrangements under a direct debit request by contacting us on 1300 467 875.
- 3.2 If you wish to stop or defer a debit payment you must notify us in writing at least 14 days before the next debit day. This notice should be given to us in the first instance.
- 3.3 You may also cancel your authority for us to debit your account at any time by giving us 14 days' notice in writing before the next debit day. This notice should be given to us in the first instance.

#### 4. Your obligations.

- 4.1 It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the direct debit request.
- 4.2 If there are insufficient clear funds in your account to meet a debit payment:
  - (a) you may be charged a fee and/or interest by your financial institution;
  - (b) you may also incur fees or charges imposed or incurred by us; and
  - (c) you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.
- 4.3 You should check your account statement to verify that the amounts debited from your account are correct.

- 4.4 If National Australia Bank Limited ABN 12 004 044 937 (National) is liable to pay goods and services tax (GST) on a supply made by the National in connection with this agreement, then you agree to pay the National on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

#### 5. Dispute.

- 5.1 If you believe that there has been an error in debiting your account, you should notify us directly 1300 467 875 and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly.
- 5.2 If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.
- 5.3 If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding.
- 5.4 Any queries you may have about an error made in debiting your account should be directed to us in the first instance so that we can attempt to resolve the matter between us and you. If we cannot resolve the matter you can still refer it to your financial institution which will obtain details from you of the disputed transaction and may lodge a claim on your behalf.

#### 6. Accounts.

- 6.1 You should check:
  - (a) with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions;
  - (b) your account details which you have provided to us are correct by checking them against a recent account statement; and
  - (c) with your financial institution before completing the direct debit request if you have any queries about how to complete this direct debit authority.

#### 7. Confidentiality.

- 7.1 We will keep any information (including your account details) in your direct debit request confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.
- 7.2 We will only disclose information that we have about you:
  - (a) to the extent specifically required by law; or
  - (b) for the purposes of this agreement (including disclosing information in connection with any query or claim).

#### 8. Notice.

- 8.1 If you wish to notify us in writing about anything relating to this agreement, you should write to:  
Locked Bag 5046, Parramatta NSW 2124
- 8.2 We will notify you by sending a notice in the ordinary post to the address you have given us in the direct debit request.
- 8.3 Any notice will be deemed to have been received two business days after it is posted.

**Mail** Locked Bag 5046, Parramatta NSW 2124  
**Phone** 1300 467 875  
**Fax** 1800 467 875  
**Email** [info@hostplus.com.au](mailto:info@hostplus.com.au)

This information is of a general nature. It has been prepared without taking into account your particular objectives, circumstances, financial situation or needs. Please speak to a licensed Financial Planner prior to salary sacrificing into your superannuation account. The information in this brochure is correct as at the date of publication.

Where a change to information in the brochure is not materially adverse, the trustee will provide updated information at [hostplus.com.au](http://hostplus.com.au) which you can access at any time.

Hostplus has engaged Industry Fund Services Limited (IFS) ABN 54 007 016 195 AFSL No 232514 to facilitate the provision of financial advice to members of Hostplus. Advice is provided by one of our financial planners who are Authorised Representatives of IFS. Fees may apply. Further information about the cost of advice is set out in the relevant Financial Services Guide, a copy of which is available from your financial planner. IFS is responsible for any advice given to you by its Authorised Representatives.

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