



TWUSUPER
Hardworking super for people in transport



Top up your super

Will you be able to afford to retire?

Unless you make extra contributions to your super now, you may not be able to afford the lifestyle you expect when you stop working.

How much super is enough?

While everyone's retirement needs will be different, a recent study conducted by independent research company, Auspoll, shows that over two thirds of Australians believe that the 9% Super Guarantee (SG) is not enough to fund an adequate retirement.

The Westpac ASFA Retirement Standard published for the June quarter 2010 also states that a couple who own their own home need an annual income of \$30,382 for a 'modest' lifestyle, and \$53,456 for a 'comfortable' lifestyle.

Thinking about the kind of lifestyle you will want to lead when you retire will help you work out whether your super is on track to deliver.

Why super?

Super is one of the best places to save money for retirement because you pay as little as 15% tax on contributions and 15% on investment earnings. In some cases the Government will even top up your super for you when you contribute.

Use the power of compounding

Compound interest makes your money work harder for you, because you earn interest on the amount put into your account, as well as the interest already earned.

Compounding is especially powerful when applied to super, because Government rules mean your super is invested over a long timeframe, where compounding is most effective.

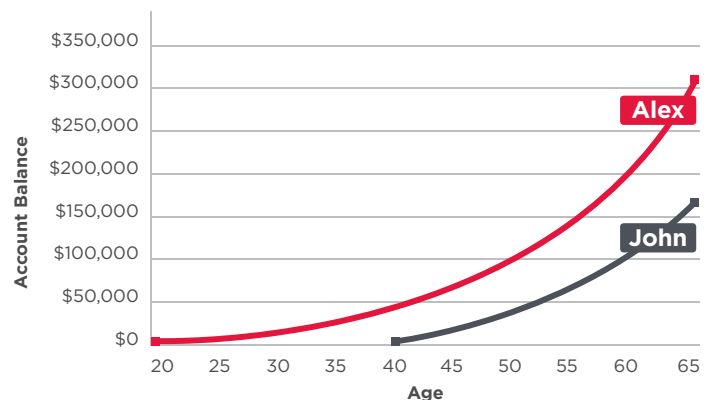
The earlier you start making additional contributions, the more time you have to benefit from the power of compounding. Even a few extra dollars a week could make a big difference to your super savings when you retire.

Case study

Alex and John both make extra contributions to their super. John puts in more money but Alex began contributing earlier. Who benefits the most?

	Alex	John
Age extra contributions commenced	20	40
Extra contribution amount	\$20	\$50
Age contributions ceased	65	65
Total contributions	\$46,800	\$65,000
Total contributions with the benefit of compound interest*	\$307,600	\$170,200

* Assumptions: Investment earnings of 7% p.a. after tax and fees. The figures quoted are in today's dollars and exclude SG contributions.



As you can see, making extra contributions from an early age makes a big difference to Alex's total contributions.

Because Alex started contributing earlier, and these contributions and the interest earned had more time to compound, Alex's super grew to \$307,600 compared to John's \$170,200.

Two ways to boost your super

There are two ways you can make extra super contributions:

1. After tax contributions
2. Before tax (salary sacrifice) contributions

Turn over to find out more about the benefits of these extra contributions.

[MORE OVERLEAF...](#)

FACT SHEET – Top up your super

1. After tax contributions

You can make regular or one-off contributions from your after tax income to your super. Remember, to make the most of compounding, regular small contributions are better than larger one-off sums.

As a bonus, if you are eligible, the Government will match every after tax dollar you contribute to super up to \$1,000.

Are after tax contributions suitable for you?

Generally, the lower your income is, the more you will benefit from making after tax contributions.

If you earn \$31,920 per year or less and you are eligible, the Government will match every after tax dollar you contribute to super up to \$1,000. The Government co-contribution is free money!

If you earn more than \$31,920 you will still qualify for the Government co-contribution but the amount reduces for every dollar you earn over \$31,920, cutting out at \$61,920 p.a.

See our *Co-contributions* fact sheet for more details.

Contribute after tax any time*

Electronic Funds Transfer (EFT)

BSB: 032-002
Account number: 272938

Quote your member number as the reference number for your payment.

BPAY®

TWUSUPER's Biller code is 857664

Call us on **1800 222 071** and ask for your personal reference number or log in to MemberAccess at www.twusuper.com.au.

* Registered to BPAY Pty Ltd ABN 69 079 137 518

Direct debit

Authorise regular contributions to your super by direct debit from your account. To authorise the direct debit, download a *Voluntary contributions* form from our website.

* TWUSUPER must have your TFN to accept after tax contributions to your account.

CONTACT US

If you need a form or would like more information, call **1800 222 071** between 8am and 8pm (AEST) weekdays or visit www.twusuper.com.au.

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2. Before tax contributions (salary sacrifice)

'Sacrificing' some of your salary to your super through your employer is a great way to boost your super and pay less tax.

Salary sacrifice effectively reduces gross income, so you pay less income tax. Because of the different tax rate, this generally means more money will go into your super than will come out of your take home pay.

Is salary sacrifice suitable for you?

Generally, salary sacrifice offers greater tax advantages to those on higher incomes. It is therefore best suited to those who earn at least \$37,001 per annum with a marginal tax rate of 30% or more.

Adjusted total taxable income range*	Marginal Tax rate	Amount	Cash in your pocket, after income tax	Salary sacrifice to super, after tax
\$37,001–\$80,000	31.5%	\$50	\$34.25	\$42.50
		\$100	\$68.50	\$85.00
\$80,001–\$180,000	38.5%	\$50	\$30.75	\$42.50
		\$100	\$61.50	\$85.00
Over \$180,000	46.5%	\$50	\$26.75	\$42.50
		\$100	\$53.50	\$85.00

* Includes overtime. Includes Medicare Levy.

See our *Salary sacrifice* fact sheet for information about contribution limits, together with comprehensive details and examples on how salary sacrifice works.

TAKE ACTION

After tax contributions

- > You can contribute by EFT, BPAY, direct debit (see left) or cheque. It's up to you.
- > Download a *Voluntary contributions* form from our website or call us to request it. Complete the form and return it to us.

Before tax contributions (salary sacrifice)

- > Ask your employer if you can salary sacrifice. Confirm salary sacrificing won't reduce your employer's SG contributions or your entitlements such as leave.
- > Decide how much you want to contribute, either as a percentage of your salary or as a regular amount.
- > If your employer does not have a form, download a *Superannuation salary sacrifice agreement* from our website or call us to request it.
- > Complete the form and have your employer sign it. Your employer will then make payments on your behalf.

