

ACCESS GOVERNMENT CO-CONTRIBUTIONS

Let the Government boost your retirement savings

- Do you earn less than \$61,920 a year?
- Would you like to receive up to \$1,000 from the Government to boost your super?
- Do you want to see what difference this could make to your super?

How does it work?

If your total income¹ is less than \$61,920 p.a., and you make personal (i.e. after-tax) contributions to your super account any time before 30 June 2012, the Government will match your contributions on a dollar-for-dollar basis up to \$1,000. That's up to a 100% tax-free return on your investment within one year. In addition, this money is invested within super, which is concessionally-taxed. That means you have even more money working for you.

Once you've made a contribution and you submit a tax return for the year ending 30 June 2012, you don't need to do anything to apply for the co-contribution. Provided you qualify, the Government will automatically forward the co-contribution amount to your super fund.

What does it mean for me?

The Government co-contribution is an easy and cost-effective way to boost your retirement savings using some of your own money, and some of the Government's money.

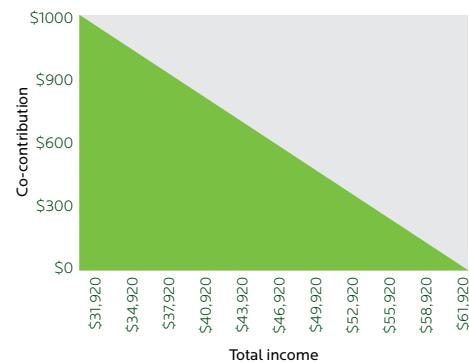
The potential downside is that you won't be able to access your retirement savings until you're eligible to access super – which for most people will be at retirement age.

How do I work out how much I qualify for?

The maximum co-contribution you can receive is \$1,000, which is based on a personal contribution of \$1,000 if your total income is \$31,920 or less in 2011/12.

If you earn above \$31,920, the maximum co-contribution available will reduce by 3.33c for every \$1 of total income above \$31,920. No co-contribution will be made once your total income reaches \$61,920, as illustrated in the following diagram.

Maximum co-contribution entitlement



Calculating your maximum co-contribution

A. Your assessable income for 2011/12	
B. Your reportable fringe benefits for 2011/12	
C. Your reportable employer super contributions	
D. Total income (A+B+C)	A + B + C = D
E. D minus \$31,920 (the maximum you can earn to qualify for the maximum \$1,000 Government co-contribution)	D - \$31,920 = E
F. Multiply E by 0.03333	E x 0.03333 = F
G. Deduct F from \$1,000	\$1,000 - F = G

¹'G' = the maximum amount of Government co-contribution you're entitled to, provided you contribute at least this amount as a personal contribution before 30 June 2012.

¹Assessable income plus reportable fringe benefits and reportable employer super contributions.

Right Strategy. Right Time.

How do I know if I qualify?

To qualify for a Government co-contribution you must satisfy all of the following criteria:

- You make a personal super contribution to a complying super fund or a retirement savings account
- Your **total income** (assessable income plus reportable fringe benefits and reportable employer super contributions) is less than \$61,920 in 2011/12

- 10% or more of your **total income** is from employment or your business activities (10% rule)
- You did not hold an eligible temporary resident visa at any time during the year
- You lodge an income tax return for the year of income
- You're less than 71 years old at 30 June 2012.

Putting it into practice

John is 45 and he receives \$40,000 salary (A) and reportable fringe benefits valued at \$1,000 (B) for the 2011/12 income year. John's employer contributes \$2,000 in reportable employer super contributions (C). That gives John a total income of \$43,000. As this is 100% from eligible employment, John satisfies the 10% rule requirement.

Calculating John's maximum co-contribution entitlement

A + B + C = D	\$40,000 + \$1,000 + \$2,000 = \$43,000
D - \$31,920 = E	\$43,000 - \$31,920 = \$11,080
E x 0.03333 = F	\$11,080 x 0.03333 = \$369
\$1,000 - F = G	\$1,000 - \$369 = \$631

John's maximum co-contribution entitlement is \$631. In order to receive this amount from the Government, John must make a personal contribution of at least \$631 before 30 June 2012 and file a tax return for 2011/12. Add the Government co-contribution to John's personal contribution and John's super account balance is **\$1,262 better off**.

To find out how you can boost your retirement savings, please talk to your financial adviser today.

IMPORTANT INFORMATION

This information was prepared by Securitor Financial Group Ltd, ABN 48 009 189 495 AFSL & Australian Credit Licence (ACL) 240687 (Securitor) and is current as at 1 January 2012.

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