

End of Financial Year Superannuation Checklist

- Get your voluntary superannuation contributions in before the 30th June. Pay early to avoid the payment rush. You can pay by BPAY or send a cheque. Your BPAY details were added as an insert with this edition of Winter Member News for your convenience.”
- Ensure your employer gets all your super contributions to us before 30th June.
- Ensure we have your tax file number.

If you are eligible for government co-contribution, there is a further incentive this financial year to get your voluntary contributions in. From 1st July 2009 the government maximum co-contribution will be reduced from \$1500 to \$1,000 with the aim of reducing the schemes impact on the Federal budget during these times of high budget deficit. For information on eligibility criteria for co-contribution see www.ato.gov.au/super and then choose 'co-contribution'.



Worried about continuing losses in your super? –
**consider opening a FREE 2nd ethical cash account
with Christian Super today.** Call us on 1300 360 907

How will the **changes** announced in the Federal budget affect me?

The changes in the Federal Budget are set to affect both your pensions and superannuation. Whether you are already enjoying your retirement or have just started paying superannuation, it is important that you are aware of the following, which are effective as of 1 July 2009 unless otherwise noted:

GOVERNMENT AGE PENSION

From 1 July 2017, the Age Pension eligibility age will eventually increase at the rate of 6 months every two years, reaching 67 years in 2023

From 20 September 2009, the base rate for pensioners will be increased by up to \$32.49 per week for singles, and \$10.41 for couples.

From 20 September 2009, the taper rate for the income test on the pension will be increased from 40c in the dollar to 50c for singles and from 20c in the dollar to 25c for couples. The Government will also introduce a Work Bonus that will only assess 50% of the first \$500 of fortnightly employment income when determining pension entitlements under the income test. Additionally, pensioners in part time employment could get an extra benefit of up to \$125 per fortnight, on top of any pension increase.

From 20 September 2009, various pension allowances and supplements will be rolled into a new Pension Supplement. This will include the existing allowances for goods and services tax, utilities, pharmaceuticals and telephone at the higher internet rate. From July 2011, the new Pension Supplement will be increased further to compensate for the Carbon Pollution Reduction Scheme when introduced in 2011.

From 20 September 2009, a new Pensioner and Beneficiary Living Cost Index will be introduced into the indexation of the pension to ensure that changes in the costs of living experienced by pensioners are considered.

SUPERANNUATION

From 1 July 2009, the Government will reduce the cap on concessional superannuation contributions from \$50,000 to \$25,000, and the transitional cap from \$100,000 to \$50,000. The transitional cap will expire on 30 June 2012, and those over 50 years will revert to the lower, indexed \$25,000 cap.

The non-concessional contributions cap will remain at \$150,000 for the next financial year.

The co-contribution matching rate will be reduced from 150% to 100% for contributions made between 1 July 2009 and 30 June 2012. It will increase to 125% between 1 July 2012 and 30 June 2014, and will return to 150% from 1 July 2014.

The Government will halve the minimum amounts self-funded retirees have to draw down from their account-based pension for 2009-10, extending the drawdown relief provided by the Government for 2008-9.

From 1 July 2010, superannuation providers will be required to transfer lost superannuation accounts that have balances less than \$200, or which have been inactive for five years and for which there are insufficient records to identify the owner of the account, to unclaimed monies. Former holders of these lost accounts will still be able to reclaim their money from the ATO at any time.

The Government has agreed to establish a trans-Tasman retirement savings portability scheme, which will permit the transfer of superannuation savings between certain Australian superannuation funds and KiwiSaver funds (pending settlement with New Zealand).

While not all of the above may be seen as immediately beneficial, at Christian Super we are dedicated to helping you embrace these changes with ease and simplicity. For more information and detail, please visit www.ato.gov.au, or call the Helpdesk at 1300 360 907.

Worried about the **Economic Downturn?**

Christian Super has a new factsheet called Surviving the Economic Downturn that is packed with tips on helping you manage your finances through this time. Download off the website or call 1300 360 907.



CHRISTIAN SUPER IS YOUR **INDUSTRY SUPER FUND**

Did you know that Christian Super is a public offer **Industry Super Fund** which delivers the same benefits as advertised Industry Super Funds.

Christian Super has low fees and does not pay commissions to financial advisors.

Christian Super is a not for profit organisation, formed in 1984 with the intent of benefiting its members only.



Emerging Markets

Christian Super has recently made its first investment into Emerging Markets. Previously this was an area where we found it impossible to apply the Fund's ethical principles, however by partnering with other like-minded organisations we are comfortable that we can invest ethically in these markets.

Below is an extract from an article written by David Gait, Senior Portfolio Manager for Colonial Investments, about some of his experiences working to apply sustainability criteria in emerging markets, and specifically in India. We encourage you to read the full article, available at www.christiansuper.com.au.

"No, no, no, you are not allowed to ask me this question!" exclaimed the manager of one of India's leading chemical companies. There was more grinning and arm waving. By now the sugar rush from our fourth cup of molten tea that morning had kicked in. We pressed him again. "No, no, I am not permitted to tell you the answer!" Our question was innocent enough: how had the Company managed to build a new factory without encountering the serious community protests and environmental objections faced by many other Indian companies in recent years? Such questions are becoming increasingly critical to any investment case in India.

The challenges posed by chronic poverty and inequality throw up important ethical and moral challenges for owners of Indian businesses. Unfortunately 'ethical' investment has become a dirty term, even within the sustainable investment community. Like a child embarrassed by their parents, it is seen as an unfashionable and outdated, far from the cutting edge environmental, social and governance analysis which embodies the modern day sustainable investor. Yet, as the saying goes, if you stand for nothing, you will fall for anything. And in India there are endless opportunities to fall.

Indian companies and investors are facing new environmental and social challenges at almost every turn today. Sustainable investment in India is a marathon, not a sprint.

Connecting you with Christian financial planning services

Christian Super is pleased to announce an alliance with Cornerstone Wealth for the provision of Financial Planning Services to our members. Through this we hope to enable you to maximize opportunities for yourself and God's Kingdom through developing a sound financial strategy relevant to your goals.

Christian Super chose Cornerstone Wealth Pty Ltd, founded by Gavin Martin (right) as they offer comprehensive financial & investment management services deeply rooted in Biblical principles. (It is worth noting that Christian Super does not pay Cornerstone Wealth commissions and we have negotiated a competitive rate for our members.)



Q Gavin, what seems to be the most common reason people don't seek the assistance of a financial planner?

A Like all relationships the main hindrance is trust. Finding a professional who aligns with your values and has your interests as the top priority has been difficult to find in the traditionally sales focused Financial Planning industry.

Q Through meeting your clients and providing them with a statement of financial advice, what are your objectives?

A I take an educative approach to financial planning. When the statement of advice has been prepared and communicated the client is in an informed position, understanding their options, the pros and cons of each option and has the tools to make the decisions most suitable to their particular situation. Having a plan or financial road map empowers clients and gives them confidence on their financial journey that enables them to achieve what is most important to them.

Q What would you say to low to middle income earners about the benefits of them investing in the services of a financial planner?

A How to sustainably serve the needs of low to middle income earners has been a constant challenge for the financial planning profession. I have endeavored to tailor a service specific to the needs of middle income earners. Cornerstone Wealth has struck the right balance with a three pronged service that cost effectively meets the needs of low to middle income earners. Cornerstone Wealth has struck the right balance with a three pronged service that cost effectively meets their specific needs by providing:

1. an initial consultation that addresses the majority of the questions and needs using an educative approach
2. a statement of advice addressing a specific area of need rather than providing a comprehensive and more costly plan
3. an interactive website www.MasterMyMoney.com.au providing tools, resources and a road map we can all apply on our financial journey

Often the greatest benefit of a trusted financial adviser is avoiding significant financial mistakes and the associated setbacks. Low to middle income earners can obtain great value from engaging a financial adviser in one or all of the above ways.



Contact Christian Super on 1300 360 907 to be connected with Cornerstone Wealth.



EXPECT **PROCESSING DELAYS** IN JULY

Please note that due to the reporting processes at the end of the financial year, Christian Super is unable to process superannuation contribution payments in early July. Processing at this time of year is delayed due to the member balance recalculations that need to be conducted. If you are expecting a benefit payment or require some other special urgent processing in July please call us well before the 30th June to discuss it with us.

Employer **Spotlight**

Hillcrest Christian College, a medium sized school located in Reedy Creek, Gold Coast, supports Christian Super because we are a good example of a Christian organisation run with ethical business practices and we provide a much needed service to ministry organisations such as Christian Schools.

"At Hillcrest, we chose to be involved with Christian Super, as they have an understanding of our business principles and are therefore, our Superannuation Fund of choice," says Mr Keith Francis, Principal of Hillcrest Christian College.



Calling all University **Law & Business students**

Christian Super is offering 2 Christian university students the opportunity to participate in our Winter Intern Program over July and August. The students will have the opportunity to observe the day to day activities of investment management and planning as well as assisting the Christian Super team with daily operational tasks. This is a unique opportunity to gain some valuable workplace experience and form a network with Christian Super staff. To apply for an intern positions, please send your resume to Sam Suters at ssuters@christiansuper.com.au by the 18th June, 2009.

CALL US IF YOU ARE A **TEACHER**

Christian Super has developed a factsheet on salary sacrificing additional superannuation specifically for teachers. Salary sacrificing superannuation payments lowers your taxable income and helps you to save faster for your retirement. Download off the website or call 1300 360 907.



Annual Member **Statement & Report**

Your Annual Statement is a record of your contributions and transactions during each financial year as well as confirmation of specific member details including your investments and insurance arrangements in the Fund. This year, Member Statements will be sent out from early October to allow for the inclusion of the audited financial accounts in our Annual Report to Members.

If you require any specific details prior to this, you can log onto Member Access via our website to view your super account or contact our Helpdesk on 1300 360 907. You can check the performance of your selected investment option monthly on the Christian Super website. www.christiansuper.com.au

CONTACT DETAILS

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DISCLAIMER The information in this newsletter is of a general nature and is provided in good faith - the Fund does not guarantee its accuracy. Readers should seek advice specific to their situation.

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