

1 April 2012

TAX GUIDE

The information in this document forms part of the Product Disclosure Statement (Issued April 2012).

Tax may apply to your superannuation at a number of points - on contributions, on investment earnings and on benefits. This section briefly summarises the main tax provisions, but there are circumstances where the tax treatment may differ. Please contact our Member Care Centre if you require further information.

Tax on Contributions

Contributions are generally classified as either Concessional Contributions or Non-concessional Contributions.

Concessional Contributions are generally taxed at 15% when they are paid into Christian Super. However, amounts received above the maximum limits in a financial year are taxed at the top marginal rate of 45% plus Medicare levy.

Non-concessional Contributions are not taxed.

Tax on Rollovers

When you rollover an amount from another superannuation fund you will normally not pay any lump sum tax.

If your rollover has an untaxed component, it will be taxed at 15% at the time of receipt by Christian Super.

Tax on Investment Earnings

Investment earnings are generally taxed at the rate of 15%. However, concessions are made for certain types of investments, franking credits and capital gains tax discounts, and so the actual rate of tax paid within the Fund is generally lower than 15%. This tax is deducted before investment earnings or losses are declared.

Investment earnings relating to pensions are tax free.

Tax on Payments - Age 60 and over

If you are age 60 or over all payments from your superannuation account are totally tax free, whether paid to you as a lump sum or as a regular pension amount.

Tax on Payments - Age under 60

If you are below age 60 your superannuation account will be made up of a tax free component and a taxable component. These components will be calculated at the time of your benefit payment.

Your tax free component will comprise:

- A fixed amount calculated for your superannuation account at 1 July 2007; plus
- Any undeducted contributions you have made since 1 July 2007.

The remaining part of your account is the Taxable Component. If you take this amount as a lump sum payment, tax will be applied at the rate of:

- If prior to your qualifying age, then 20% plus Medicare levy on the Taxable Component.
- If after your qualifying age, then 15% plus Medicare levy on any part of the Taxable Component that exceeds 165,000 (in 2011/12).
- Benefits under \$200 are tax free.

You can ask our Member Care Centre to calculate the tax before you request a lump sum withdrawal.

Refer to the Pensions Guide for details on tax applying to superannuation pension payments.

You should seek independent financial advice to help you work out your tax situation if you are under age 60.

Tax on Death Benefits

A lump sum death benefit paid to your dependants will be tax free. If the benefit is not paid to a dependant then the taxable component will be taxed at 15% plus Medicare levy.

Tax on Disablement Benefits

A lump sum disablement benefit will be tax free if you are age 60 or over. If under age 60, the tax free component will also include the portion of the benefit relating to future service, and the resulting taxable component will be taxed at 15% plus Medicare levy.

Tax can be complex. You may in some circumstances wish to seek expert tax advice.

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BENEFICIARIES

Christian Super members can nominate beneficiaries for their accounts, in the event that they perish before accessing their superannuation benefits. This can be done in one of two ways, a non-binding or a binding nomination.

Non-Binding Direction

The Trustee will take into consideration your nomination when exercising its discretion in deciding who your benefits will be paid to. The Trustee will also decide the proportion of payment to the recipients.

Under a **Non-Binding** Direction you can nominate:

- 'Spouse' (as defined by superannuation law).
- 'Child' may include adopted, ex-nuptial, step or adult children.
- 'Financial dependent' may include any other person who is financially dependent on you at the time of your death.
- 'Interdependent' as defined by superannuation law.
- 'Estate'.

Please ensure that 'Portion of Benefit' percentages (including any portion paid to your estate) add to 100%.

Binding Direction

You may wish to make a binding beneficiary nomination. For further details, please contact our Member Care Centre. Binding nominations are subject to additional requirements and must be renewed every 3 years.

If your estate planning needs are complex, Christian Super recommends you seek the advice of a legal professional.

YOUR TAX FILE NUMBER

Collection of Tax File Numbers (TFN) is authorised by the Privacy Act 1988, the Superannuation Industry (Supervision) Act 1993, the Tax Administration Act 1953 and the Income Tax Assessment Act 1936. The details below may change in the future as a result of legislative changes.

Your TFN may be used by the Trustee only for lawful purposes including:

- Taxing benefit payments at concessional rates.
- Finding and amalgamating your superannuation benefits when insufficient information is available.
- Passing your TFN to the Australian Taxation Office for tax purposes, including contributions, if you receive a benefit or have unclaimed superannuation money after reaching the agreed pension age.
- Providing your TFN to a superannuation fund or retirement savings account receiving your rollover. The Trustee will not pass on your TFN if you instruct the Trustee in writing.
- Passing your TFN to the Australian Taxation Office in connection with the Government's co-contribution scheme.

You are not required to provide your TFN. If we do not receive your TFN from you or from your employer (employers now have an obligation to pass on a new employee's TFN to their superannuation fund) then:

1. Any concessional contributions (such as employer and salary sacrifice contributions) will be taxed at the top marginal rate of 46.5% rather than the usual 15%.
 - We must receive your TFN by 30 June in any year to avoid the extra tax being deducted for that financial year (there may be scope for it to be refunded if you provide your TFN in a later year).
2. Any non-concessional contributions (such as your voluntary after tax contributions) will be returned to you within 30 days. We will try to contact you during that time to obtain your TFN:
 - If we receive your TFN we will allocate your contribution to your account from the date your TFN is received by us.
 - If we do not receive your TFN we will return the contribution to you without interest.

Member Care Centre 1300 360 907

Our member services team are here to help.
Call Monday to Friday 9am to 6pm AEST.

christiansuper.com.au

Visit us online to get the latest news & information, download forms and factsheets and use our Super calculators.

Online

Access your personal records with online login (contact the Member Care Centre if you need login access set up).