

Employer Newsletter



July 2008

FuturePlus Super



Welcome to the Employer Newsletter.

In this issue, we reveal details of the private health insurance deal we've negotiated for you and your employees at discounted rates from Manchester Unity. We also outline the financial planning services available to you and your employees from this Fund.

In addition, we update you on some important changes to superannuation, the Government's promised superannuation clearing house and include some key administration reminders. These discuss the types of information you need to send us and the importance of supplying us with any new employee's Tax File Number. As usual, we also include an update on FuturePlus Super's investment performance.

Remember that we can help you with superannuation, insurance, financial planning and home loans. If you need assistance with any of these services, please contact the Employer Helpline on **1800 636 441**. If your employees have any enquiries, they can contact Member Services on **1800 067 059**.

Great savings on health insurance

As an employer of this Fund, we are able to offer you and your staff the very best in private health insurance at discounted rates.

Using our group's large buying power, we have negotiated a corporate deal for health cover with Manchester Unity.

Manchester Unity has over 165 years experience in caring for its members and its qualified advisers do everything they can to make health insurance easier to understand, so that you and your staff can choose the best cover.

Manchester Unity is also a mutual, owned by its members, so we are confident that you will receive more value for your money. You will also receive:

- An obligation free health cover needs analysis.
- Peace of mind, knowing you, your family and staff are covered if you ever need medical treatment.
- Protection against the lengthy waiting lists of public hospitals.
- Value for money when you claim on a range of extra services like dental and physio from the provider of your choice.
- Your choice of doctor and hospital for treatment as a private patient, when and where you need it.

To find out more about this special offer call **1800 622 559** or visit manchesterunity.com.au/Chifley

Financial advice available



We all plan things such as our holidays, our weekends, and get-togethers with family and friends. We keep an eye on our health by visiting our doctor and dentist. Yet how much planning and forward thinking do we provide for our finances on retirement?

We work hard for our money and we should make sure that it works hard for us.

That's where financial planning comes in. It's all about getting the most out of your money. A financial planner will examine how to maximise your income, how to minimise your tax and, if appropriate, how to maximise your social security entitlements. It's a way of helping you sleep better at night.

Having the counsel of a financial planner is like having a road map to your future.

As members of this Fund, financial advice is available to you and your staff. A Chifley financial planner can work through your individual needs and deliver a comprehensive personal financial plan for superannuation, redundancy, or in preparation for redundancy. And, given the volatility in financial markets, a planner can assess whether your current investment strategy is in line with your future plans, age and risk tolerance.

To make an appointment to see a Chifley financial planner, call **1800 800 002**.

Important changes to super



1. Super clearing house to be established

The Government announced in the May 2008 Budget that the ATO will receive \$16 million over three years to build a central superannuation clearing house for employers who want to pay their superannuation contributions to a single entity, rather than to multiple super funds.

This clearing house will then distribute the contributions to the employees' super funds.

This facility will be offered free of charge to small businesses with fewer than 20 employees and on a fee-for-service basis to larger businesses. The planned start date is 1 July 2009.

2. Superannuation Guarantee contributions

The ATO has advised that changes to super from 1 July 2008 may affect the way you calculate the Super Guarantee (SG) contributions you make on behalf of your employees.

From July, you must use 'ordinary time earnings' to calculate your employees' minimum SG contributions.

Ordinary time earnings, as defined in the SG legislation, is generally what an employee earns for their ordinary hours of work. It includes over-award payments, shift loading and commissions, but generally excludes such things as overtime (subject to certain exceptions). If you are unsure of what is included or excluded from ordinary time earnings you should visit the checklist on the ATO's website at www.ato.gov.au (and scroll down to 'Checklist for salary or wages and ordinary time earnings').

Most employers already use ordinary time earnings to calculate the SG. Some employers, however, use other methods, such as an earnings base outlined in industrial awards or existing employment agreements.

If you currently use a different earnings base which would result in paying the SG on less than 9% of ordinary time earnings, you will have to increase this amount to meet the minimum requirement and avoid the SG charge. The SG charge is a charge you have to pay to the ATO if you don't meet your super obligations.

You need to have:

- Reviewed the earnings base for all your employees to ensure you are either currently calculating, or are preparing to calculate, their super contributions based on ordinary time earnings.
- Reviewed the 'Checklist for salary or wages and ordinary time earnings' on the ATO's website to see what is included and excluded from ordinary time earnings.
- Included performance-based bonuses when calculating the SG contribution (some bonuses do not apply, for example, Christmas bonuses).
- Included allowances when calculating the SG contribution (there are exceptions for reimbursements of expenses or fully expended allowances).
- Included employee commissions when calculating the SG contribution.
- Considered the cost impact on your business if you are required to increase their super contributions.
- Updated your software and payroll systems as the ATO will not be issuing electronic media specifications for ordinary time earnings.
- The correct systems ready to handle any change in their super contributions.
- A strategy to inform your employees of possible changes to their super contributions.

For more information on ordinary time earnings and the SG, visit the ATO's website at www.ato.gov.au or phone **13 10 20**.

Quarterly SG contributions

The following table obtained from the ATO lists the cut-off and lodgement dates.

Superannuation Guarantee quarter ended	Cut-off date for Superannuation Guarantee contributions	Due date for lodgement of an SG statement and payment of the SG charge if contributions are not made on time.
1 July - 30 Sept	28 October	28 November
1 Oct - 31 Dec	28 January	28 February
1 Jan - 31 March	28 April	28 May
1 April - 30 June	28 July	28 August

FuturePlus Super seminars

We regularly hold seminars for members at no additional direct cost. Members can reserve a seat at an upcoming Wealth Creation or Pre-Retirement Planning seminar by calling **1800 067 059**. Alternatively, bookings can be made via email: info@futureplussuper.com.au

We can also run seminars on your site, or close by, if there's enough interest. If you'd like to organise a seminar, please contact the Employer Helpline on **1800 636 441**.

Life insurance

Don't forget that from 1 July 2008, employer-nominated super funds (also known as default funds) must offer minimum levels of life insurance cover to members. FuturePlus Super may be your company's default fund. If it is, please be advised that it more than satisfies these minimum requirements.

The legislation states that a company's default fund must offer to provide minimum life insurance to employees at a premium of at least \$0.50 per week for those under 56 years, and with at least the level of insurance cover shown in the following table. As you can see, FuturePlus Super's insurance cover substantially exceeds these minimum levels.

Age range	Minimum level of life insurance cover	FPS insurance cover
0 to 19	Nil	14 yo+ = \$82,500
20 to 34	\$50,000	\$82,500 - \$62,400
35 to 39	\$35,000	\$62,000 - \$41,700
40 to 44	\$20,000	\$38,100 - \$25,900
45 to 49	\$14,000	\$23,300 - \$15,000
50 to 55	\$7,000	\$13,000 - \$9,150
56 +	Nil	\$6,860 - \$0

There are some instances where employer-nominated super funds don't need to meet the life insurance requirements, for example, if you:

- Are making contributions under a Federal award
- Arrange insurance cover for employees outside the super system that includes death cover that is at least equivalent to the minimum insurance requirements
- Are unable to obtain insurance from the fund for a particular employee due to the employee's health, occupation or hours worked
- Contribute to a fund whose governing rules were in place on 11 March 2005 and determined that an amount not less than \$50,000 will be payable in respect of the death of an employee.

For any enquiries regarding this change, please contact the Employer Helpline on **1800 636 441**.

Extension for late SG payments

The Government has introduced legislation to extend the time available to employers to offset late SG payments. The changes aim to give fairer treatment to employers.

Under the proposed change, you will generally be able to offset all late super contributions for an employee against the SG charge assessment for that employee.

The SG charge is a charge you are required to pay if you:

- Do not pay enough super contributions (9%) to your employee's super fund by the cut-off date for payment
- Do not pay super contributions to your employee's chosen super fund
- Pay super contributions to a super fund after the cut-off date for payment, or
- Make a late quarterly super contribution to a complying super fund or retirement savings account if it was paid after the quarterly cut-off dates each year (28 October, 28 January, 28 April and 28 July).

If this happens, you need to lodge a Superannuation Guarantee Charge Statement – quarterly (NAT 9599) and pay the charge to the ATO by the due date (28 November, 28 February, 28 May and 28 August).

Currently, super contributions paid to a super fund more than one month late cannot be used to offset any part of the SG charge. In these situations, you are required to pay the contribution twice – because payment to a fund does not reduce the SG charge payable to the ATO.

However, the proposed change will generally relieve you from having to make double payments. But a range of penalties will continue to apply if you don't pay super contributions on time.

The changes will take effect from 24 June 2008. From that date, if you owe a SG charge to the ATO, you will generally be able to offset late super contributions to a super fund against part of the charge.

You are able to use late payments to a super fund only to offset the nominal interest and super guarantee shortfall components of the super guarantee charge. The SG charge and any late payments used to offset the charge are not tax deductible.

Your best option is to pay super contributions to an employee's nominated fund by the cut-off date. This is the easiest and cheapest way for you to meet your obligations.

For more information, visit www.ato.gov.au or phone **13 10 20**.

Administration update

Remitting payments to the Fund

Please note that whenever you remit payments via cheque or EFT to the Fund, you need to ensure that the information you are sending us along with your payment includes the following information:

- The transaction date (if paying via EFT)
- Fund name i.e. FuturePlus Super
- Full name of member
- Member number
- Type of contribution i.e. Super Guarantee, salary sacrifice etc
- Payroll period ending
- Full name, address and contact details of your company so that we can match you as an existing employer on our system.

If you have any questions about remitting payments to the Fund, please contact the Employer Helpline on **1800 636 441**.

Act now to avoid Government penalties

You may not be aware that under legislation, you are required to pass on the TFN of all employees to us. In particular, any new employees' TFNs must be passed on to us within 14 days of their start of employment. Note though that the legislation applies to all employees – new and existing – and where you don't provide a TFN, a penalty will apply. So, as you can see, the government is taking this very seriously.

Therefore, it's really important for your business that you act promptly and provide us with any missing employee TFNs.

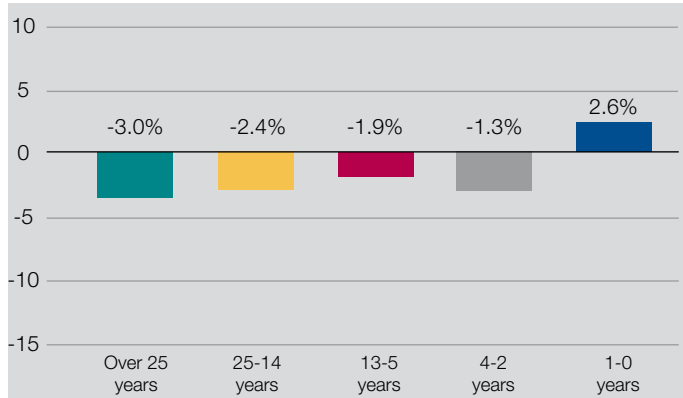
If you have any questions, please call the Employer Helpline on **1800 636 441**.

Performance

For the quarter ending 30 June 2008

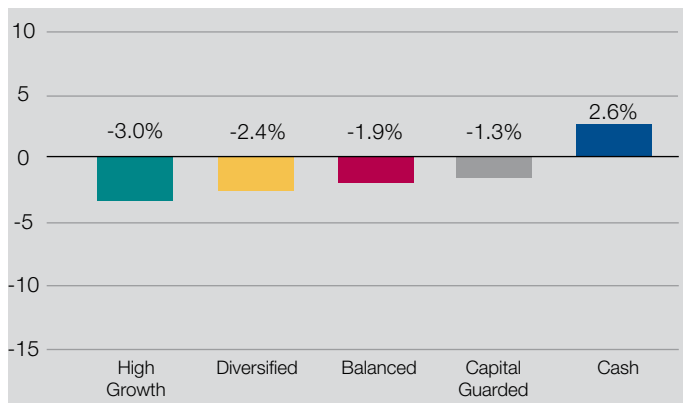
LifeCycle Objective Management Program

By number of years to retirement



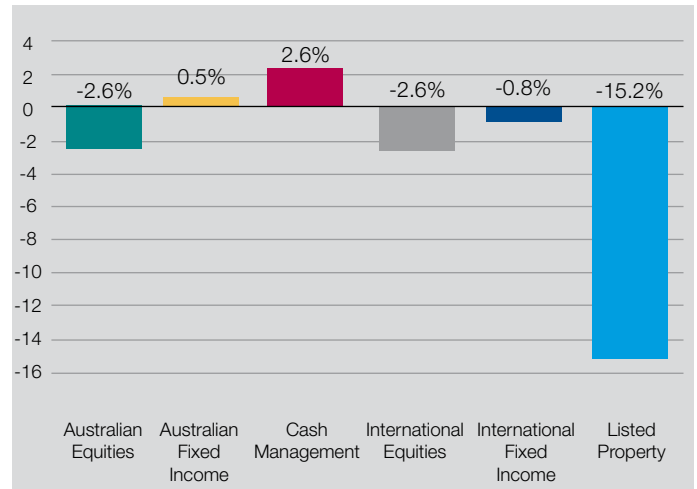
Management Portfolio Program

Strategy returns



Management Choice Program

Investment Pool Returns



All returns are shown to one decimal place.

Contribution Return emails

All Contribution Return emails should be sent to the administrator of FuturePlus Super at the following email address: employeronline@futureplussuper.com.au

Please use our standard Employer Contribution Return spreadsheet for contributions and new members, as this includes all the necessary details we require to process contributions correctly and efficiently.

This spreadsheet can be found in the Employer section of our website at www.futureplussuper.com.au

To assist with correctly matching EFT payments with data files, please quote your Employer Reporting Centre Code or, where not known, the employer name (shortened if necessary) as a reference on EFT files.

We have branches at:

Sydney:	28 Margaret Street
Lismore:	81-83 Molesworth Street
Newcastle:	161 King Street
Orange:	187 Summer Street
Parramatta:	10-14 Smith Street
Wollongong:	Shop 2 & 3, 60 Burelli Street

Wagga Wagga: Shop 2/209 Baylis Street

Albury*: 621 Dean Street

* Bookings are essential. Phone 1800 067 059 to make an appointment.

Office hours 8.30am - 5.00pm Monday - Friday

Call Member Services on 1800 067 059 to make an appointment

Employer Helpline: 1800 636 441
 Member Helpline: 1800 067 059
 Employer Fax: (02) 9299 9321
 Member Fax: (02) 9279 4131
 Website: www.futureplussuper.com.au
 Email: employerservices@futureplussuper.com.au (general employer queries)
 Email: employeronline@futureplussuper.com.au (contribution files and changes)

Address: Ground Floor
 28 Margaret Street
 Sydney
 Write: PO Box N835
 Grosvenor Place
 NSW 1220



**FuturePlus
Super**

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