

# Employer Newsletter



February 2010

FuturePlus Super



## Welcome to the Employer Newsletter

In this issue, we explain how Chifley Insurance Brokers can assist you in managing your insurance risks through changing times, and we introduce you to Julie Romero who is on hand to help you and your employees with all your general insurance needs.

We also detail how the different types of asset classes and the fund's investment options have performed.

Finally, we provide you with some important administration reminders and explain why we offer you so much more than super.

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**.

## Is it time for an insurance health check?



The only certainty in life is change. The tough economic environment over the past 18 months is likely to have changed some of the ways in which your business operates and its needs. It has also caused shifts in the insurance market, as well as in its pricing and coverage.

For these reasons, it's important to assess whether your business is still adequately covered for any unexpected events. This can help determine whether you are carrying risks you aren't aware of and ensure you're not paying too much for the cover you need.

We can help you with this. Chifley Insurance Brokers Insurance was set up especially to assist our valued clients and super fund employers with all their general insurance needs.

Chifley Insurance Brokers is a Trading Name of Marsh Pty Limited, a world leader in delivering risk and insurance services

and solutions. We tailor insurance programs to meet your specific needs, or those of your employees, and are able to secure amongst the best pricing in the market. Being part of an industry fund grouping, we don't face the same shareholder profit demands that our competitors face. And our association with Marsh, the largest global broker, gives us the extensive buying power to create the most suitable and cost effective insurance program for your needs.

The many types of general insurance we can assist you with include:

Industrial Special Risks (ISR)	Voluntary Workers
Business Packages	Workers Compensation
Electronic Equipment	Professional Indemnity
Machinery Breakdown	Directors' & Officers' Liability
Business Vehicles	Management Liability
Public and Products Liability	Marine Cargo
Crime and/or Fidelity	Farm
Corporate Travel	Commercial Property including Strata
Group and/or Individual Personal Accident/Sickness	Construction

From a domestic perspective, we offer insurance solutions for home buildings and contents, including residential strata, private vehicles, jewellery and fine art, landlord protection, pleasure craft and leisure travel.

Don't discover the risks of being under-insured, or not insured, when it's too late! Call **1300 137 486** or email **chifley.australia@marsh.com** today for more information.

[www.futureplussuper.com.au](http://www.futureplussuper.com.au)

## Meet your insurance broker: Julie Romero



Helping clients achieve peace of mind and protecting their assets, income and livelihood by providing an insurance solution that meets their needs, objectives and financial situation is what Julie Romero likes most about working in the insurance industry.

With 25 years of experience in this industry, Julie - who joined Chifley Insurance Brokers in September as a Business Development Executive - is well placed to help you with all your general insurance needs, as well as those of your employees.

"I enjoy meeting and helping people and work to build strong healthy business relationships with my clients. Understanding my clients' needs is paramount as this allows me to provide an insurance solution that provides protection, as well as peace

of mind. I gain satisfaction through helping my clients better understand their risks and developing ways to mitigate or minimise their exposures. Finding the right insurance solution and risk management strategy is vital; everyone's situation is different. There is no 'one size fits all' when it comes to insurance," says Julie.

"Some clients have high risk exposures and struggle to find insurance. Others have sustained claims that can be alleviated by implementation of risk management strategies. An insurance policy is put to the test when a claim is made and being there at claim time to listen, empathise and help is so important. At Chifley Insurance Brokers, we ensure our services are designed to meet the specific needs of each client. We deliver vision, value, convenience, choice and innovation, and help our clients to better understand and manage the risks they face in their business."

If you'd like to discuss your insurance needs with Julie, you can call her on **1300 137 486** or email her at [chifley.australia@marsh.com](mailto:chifley.australia@marsh.com)

## Reduction in contribution caps



Employers should be aware that employees who salary sacrifice may be at risk of exceeding the new contribution caps and of incurring excess contributions tax.

In the May 2009 Federal Budget, the Government halved its cap on the amount of concessional (or pre-tax) superannuation contributions members can make to super to \$25,000 per year (indexed). This change came into effect on 1 July 2009.

**Income that's salary sacrificed as additional superannuation contributions is counted towards the concessional contributions cap, as is the 9% Superannuation Guarantee.**

The transitional concessional contributions cap (for members aged 50 and over or who turn 50 before the end of the 2011/12 financial year) has also been reduced from \$100,000 to \$50,000 per year.

The annual cap on non-concessional or after-tax contributions remains at \$150,000 a year for the 2009/10 financial year. It will in future be calculated as six times the level of the (indexed) concessional contributions cap.

Excess concessional contributions are currently taxed at 31.5% which is additional to the standard 15% contributions tax. So to help your staff avoid any nasty surprises, it's important to review any salary sacrifice arrangements you make on their behalf. Remember that our team is on hand to help you through this process and in communicating these changes to your employees. Just call **1800 636 441** for assistance.

## New members

In line with the Fund's rules, we are not permitted to create a new member account without having received a contribution for the account. Because of this, we need you to advise of new members when providing their initial contribution rather than providing the new member advice prior to sending the contribution.

You can provide the new member details in the contribution file or separately, but if you have a separate new member file, please send it at the same time as your contribution file. Please ensure that you include the new employee's full given names and surname, date of birth, address, date they entered your employ and their Tax File Number.

## Quarterly SG contributions

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

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

\* The SGC is not tax deductible and cannot be reduced by the ATO.

## Keep us up to date



Please keep us informed of any changes to your contact details. So that we can communicate with you as efficiently and directly as possible you should send details of any payroll personnel changes or postal or email address changes to [employeronline@futureplussuper.com.au](mailto:employeronline@futureplussuper.com.au) so that we can keep our records up to date.

## Contributions

Contributions are only allocated to a member's account when we have received both the money for the contribution and the file or paperwork. This means if you send the money today for a member, but don't send the file or paperwork for two weeks, the money will be allocated to the member's account effective the date the file or paperwork was received. We require both pieces of information before we can process the contribution.

When remitting a contribution payment, please ensure that the file you send equals the payment. Please do not send multiple payments with one file or one payment with multiple files. We would prefer that a separate payment be made for each file. The likelihood of human error is reduced when there is a single payment and a single file.

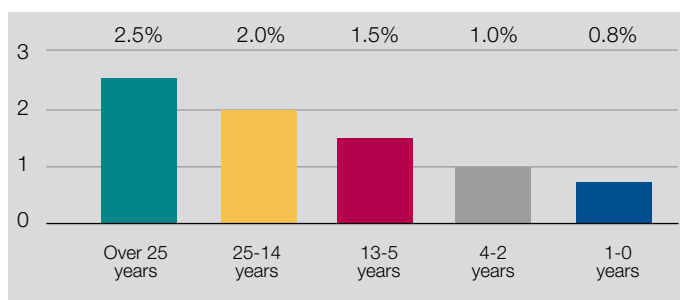
## Performance

For the quarter ending 31 December 2009

### LifeCycle Objective Management Program

The returns for the LifeCycle Objective Management Program were as follows:

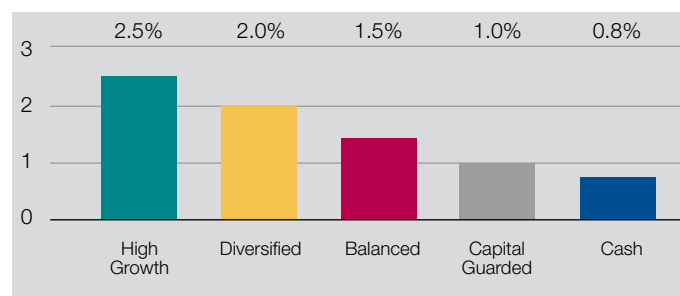
#### Number of years remaining to retirement



### Managed Portfolio Program

The returns for the Managed Portfolio Program were as follows:

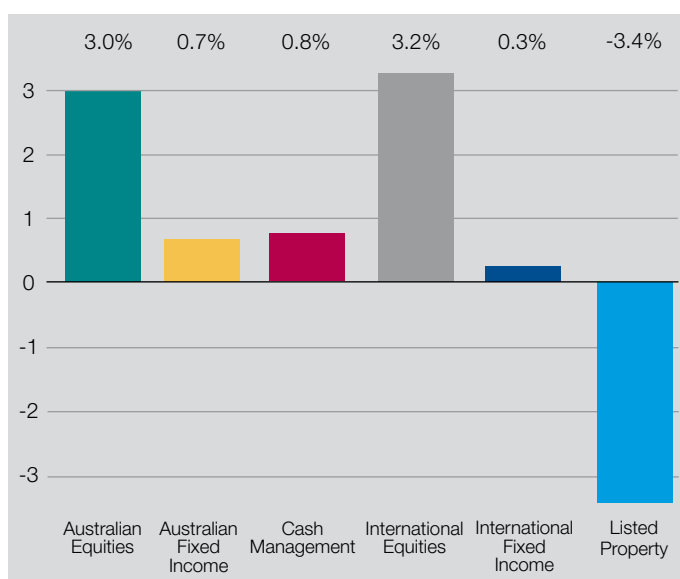
#### Strategy performance



### Member Choice Program

The returns for the Member Choice Program were as follows:

#### Investment pool returns



All returns are shown to one decimal place.

# How investment markets have performed

The last quarter of 2009 produced a mixed bag of positive and negative economic data.

In Australia we saw the unemployment rate consistently surprise with jobs being added in September, October and November, contrary to investors that expected net job losses. Retail sales also showed signs of improvement in October after contracting in September indicating consumers are still spending, and news of a 4.2% increase in house prices for the third quarter improved investor sentiment. Commodity prices continued to increase as China leads global growth with their insatiable demand for raw materials.

In the US, the unemployment rate continued to rise, reaching 10.2% in October with 111,000 jobs shed for the month. November, however, produced the first positive job rate in two years when 4,000 jobs were added. December job numbers disappointed, though, with the shedding of 85,000 jobs. As at the end of 2009 the jobless rate in the US remained at 10% but this masked the fact that almost 700,000 job seekers left the workforce in December. If you add back the 700,000 who left the workforce, then the unemployment rate would rise to 10.4%.

The most positive news for the quarter was the strong manufacturing numbers as businesses that had ran down their inventories started to rebuild stock as government stimulus continued to support growth.

## Australian Equities

The fourth quarter return for the benchmark S&P/ASX200 was 3.39%. This followed a third quarter return of 21.5% which was the best 3-month return since the index began in May 1992. The fourth quarter started off weak with October finishing down 2.08%, partly due to some consolidation after the 21.5% third quarter return and some disappointing economic news out of the US. The market rally of the previous two quarters has seen the equity market move from cheap to what we consider to be on the upper band of fair value. Investors are expecting a strong 2010 in terms of corporate profits but much of that has been priced into the market and that leaves greater risk to the downside.

## International Equities

International Equities finished the quarter strong with the MSCI World Index hedged returning 4.89%. Early in the fourth quarter

domestic and global third quarter corporate earnings were released and most companies reported better than expected profits. Most of this was achieved through cost cutting as opposed to increased revenues. However, in \$A terms the MSCI World Index returned just over 2% as the Australian dollar continued to rally due to commodity price increases, RBA raising rates and the US keeping rates at a record low level for the foreseeable future.

## Listed Property

The Australian Listed Property finished the quarter down with the S&P/ASX200 LPT Accumulation index returning -5.01%. This follows two quarters of stellar performance, 15.17% in quarter two and 30.45% in quarter three. Australian Listed Property was one of the worst hit sectors falling 75% from its peak in February 2007 to its bottom in March 2009. The initial rally in LPTs was spurred by a global rally in equity markets that began in March 2009 due to the monetary and fiscal stimulus measures enacted by central banks. As the rally gathered pace LPTs were able to raise additional capital, refinance existing debt and strengthen their balance sheets to avoid insolvency. The result was that quarter three ended up delivering the best quarterly return since the index series began.

## Cash and Fixed Income

The Reserve Bank of Australia raised interest rates again by 0.25% in December which takes the interest rate to 3.75%, a record three consecutive months of interest rate rises. The rate rises were widely anticipated by market participants as the RBA gave indications of removing the emergency rate setting that brought the interest down to a historic low of 3% on the back of positive economic news domestically and importantly from China. Short term money markets rallied with the UBS Bank Bill Rate up 0.88% for the quarter. Bond markets also reacted to the rate rise with yields rising and bond prices falling in October, only to have yields fall back in November and bond prices rise as soft economic numbers lowered expectations of rapid interest rate hikes by the RBA. However, by December strong retail sales and better than expected unemployment numbers saw yields rise again and the UBS Sovereign index finished the quarter up 1.03%.

## We have branches at:

<b>Sydney:</b>	28 Margaret Street
<b>Lismore:</b>	81-83 Molesworth Street
<b>Newcastle:</b>	161 King Street
<b>Orange:</b>	187 Summer Street
<b>Parramatta:</b>	10-14 Smith Street

<b>Wollongong:</b>	Shop 2/60 Burelli Street
<b>Wagga Wagga:</b>	Shop 2/209 Baylis Street
<b>Albury*:</b>	621 Dean Street

\* Bookings are essential. Phone 1800 067 059 to make an appointment.  
Office hours 8.30am - 5.00pm Monday - Friday

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

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

Email: [employerservices@futureplussuper.com.au](mailto:employerservices@futureplussuper.com.au)  
(general employer queries)

Email: [employeronline@futureplussuper.com.au](mailto:employeronline@futureplussuper.com.au)  
(contribution files and changes)



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