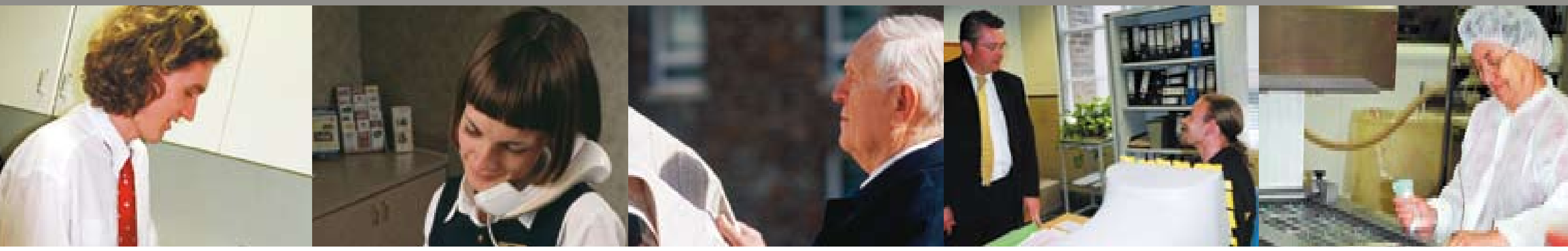
Employer Newsletter

FuturePlus Super

October 2008

FuturePlus Super



Welcome to the Employer Newsletter.

In this issue, we stress the importance of keeping one's eye on the big picture when investment markets are volatile. We also discuss what your superannuation obligations are as an employer and remind you that you are required to pass the Tax File Number of new employees on to us.

We detail why this Fund offers you and your staff more than just super and as usual, we include an update on FuturePlus Super's investment performance and how investment markets have performed.

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**.

Keeping an eye on the big picture

The recent volatility of world investment markets has been rather unsettling, so it won't be surprising if your employees start raising concerns about their super.

It's important to remember that only qualified financial planners are able to provide financial advice and, by law, you should not be providing any specific advice to staff.

But there are some basic rules that are worth remembering and you can pass these on to any staff who might be interested.

Firstly, it's important not to panic. This could lead to actions that one might regret later, like selling one's assets at a loss.

Secondly, it's important to remember that super is a long-term investment. Investment markets go up and down in the short term but, fortunately, they've risen more than they've fallen over a long period of time. The experts agree that while there may be short-term dips in market returns, most carefully selected and age-appropriate strategies work well for investors over the long term.

That's why it is important for any of your staff asking questions to focus on the big picture - why they selected their investment strategy in the first place. They might have chosen it for a number of reasons, such as:

- To meet their financial goals
- Because of the number of years they have left until retirement
- Because of their level of risk tolerance
- To diversify their investments and spread risk
- Because it's generally the right strategy for their life stage

If their reasons have changed, then maybe they should re-examine their portfolio mix. If their reasons haven't changed, perhaps it's best to sit tight even though they may sometimes feel like they are on a rollercoaster ride.

However, if they do feel uncomfortable with this approach, or believe that this is a good time to review their investment portfolio, please encourage anyone with questions to call the Member Services team on **1800 067 059**.

Contributions for those over age 70 years

Remember that under superannuation law, employers are only obliged to make SG contributions on behalf of their employees until age 70.

Employees aged 70 to 74 are free to make their own personal superannuation contributions from their after-tax income or to direct their employer to make salary sacrifice contributions on their behalf.

The only requirement is that an individual making contributions must have worked a minimum of 40 hours over a period of 30 days in the financial year the contributions are made. If they fail to meet this work test, no contributions can be made for that person other than mandated employer contributions.

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

A reminder about Tax File Numbers

Please remember that if you receive an employee's TFN for superannuation purposes, you are required to pass on the Tax File Number (TFN) to us with your next contribution. If the TFN was received less than 14 days before your next contribution for the employee, then you have up to 14 days from receiving the TFN to pass it on to us.

According to the ATO, it is an offence not to provide an employee's TFN within the required timeframe.

If you do not pass on your employees' TFNs:

- You will be guilty of an offence and liable to pay a penalty
- Your employees may have to pay extra tax (possibly 31.5% more) on the contributions
- The Fund won't be able to accept personal contributions from your employee
- Your employee may miss out on Super Co-contribution payments.

Remitting contributions 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**.

We offer much more than super

We can offer you and your employees:

- Low cost flexible home loans
- Free financial advice to grow your wealth
- Free financial planning seminars
- Highly competitive life, Total and Permanent Disablement and income protection insurance
- Highly competitive general insurance, including home, contents and vehicle cover
- Private health insurance at discounted rates
- Assistance with estate planning
- Savings on a wide range of lifestyle benefits through the Fair Go program.

As an employer, we also offer the following to you at highly competitive rates:

- A wide range of insurance cover
- Directors' & Officers' cover
- Professional liability cover.

Call us on **1800 800 002** to find out more.

How have investment markets performed?

The September quarter was a disappointing one for investors who weren't sitting in cash or fixed income. Following some improvements in August, share markets ended the three months deeply in the red as concern mounted about whether the US economy was heading for recession and the safety of its financial sector.

Several large US financial groups faltered as their debt soared in the wake of the US's sub-prime loan crisis and global credit crunch. Among them were government lenders Fannie Mae and Freddie Mac, Lehman Brothers, Merrill Lynch, American International, Wachovia and Washington Mutual. In Europe, companies like HBOS, Bradford and Bingley and Fortis were also unable to escape the turmoil in global markets.

This turmoil and worries about the deteriorating balance sheets of other US banks almost brought normal banking operations to a halt and looked set to stifle global economic activity. The US Federal Reserve and the US Treasury quickly stepped in with a dramatic rescue plan to take over troubled assets from struggling institutions. The fact that the rescue plan was defeated in the US Congress just as the September quarter drew to an end caused equity markets around the globe to fall. It has since been passed.

Australian Equities

Equities in Australia did not escape the carnage on world financial markets. Australian banks appear to be well capitalised and profitable when compared with their US counterparts. Nonetheless, local investors worried about the impact of weaker economic conditions and softening consumer spending in Australia, a possible recession in the US and a spate of bad news about the Chinese economy. [China's boom and its demand for our resources have helped fuel Australia's economic growth in recent years.]

Mining stocks came off strongly, contributing to the S&P/ASX 200 Accumulation Index's fall of 10.4 per cent over the quarter. Shares were dragged down more heavily towards the end of September when the US government's rescue plan was initially defeated in Congress. The market is now down 26.8 per cent over twelve months.

International Equities

Investors fled from equity markets as concerns grew about the US economy and the problems in its financial system. World markets, as measured by the MSCI World Net Accumulation Index, fell by 15.7 per cent in the September quarter. In September alone, they slumped 10.8 per cent although this translated to a fall of 3.6 per cent in Australian dollar terms because of a significant weakening in the value of the Australian currency against others.

All major equity markets fell sharply with equity markets in emerging countries performing worse than those in developed nations.

Listed Property

The global financial crises encouraged investors to take a closer look at Listed Property and its earnings, and to shun groups that have funded their operations through the heavy use of debt. Some Listed Property Trusts have experienced difficulties in rolling over their debt and have cut dividends or have tried to sell some of their assets. A slowdown in future rental income and the exposure some Listed Property Trusts have to slowing overseas markets have also worried investors.

Following a poor performance in the previous financial year, the S&P/ASX 300 Property Trust Index fell a further 1.7 per cent over the quarter despite making some gains in August. It ended the year to September down 40.4 per cent.

Fixed Income and Cash

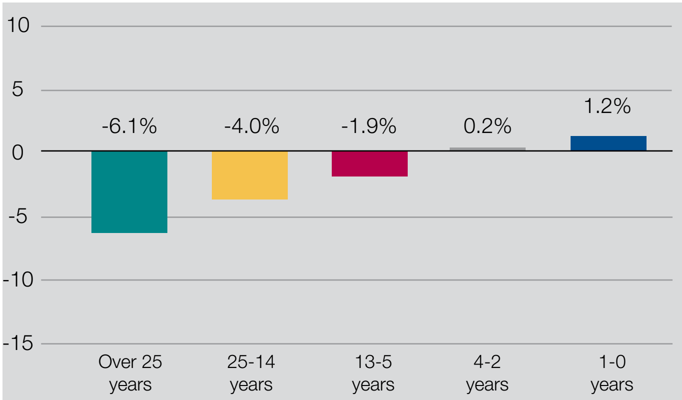
As the global financial crisis took hold, investors sought refuge in government and highly rated bonds and avoided the lower rated corporate bond market which has suffered from a rise in defaults and funding problems in the wake of the credit crunch. Australian bonds returned 5.3 per cent over the September quarter (UBS Australian Composite Bond Index) while international bonds grew by 2 per cent (Lehman Bros Global Aggregate $A Hedged Index). Cash, as measured by the UBS Australian Bank Bill Index, returned 1.9 per cent for investors in the September quarter.

Performance

For the quarter ending 30 September 2008

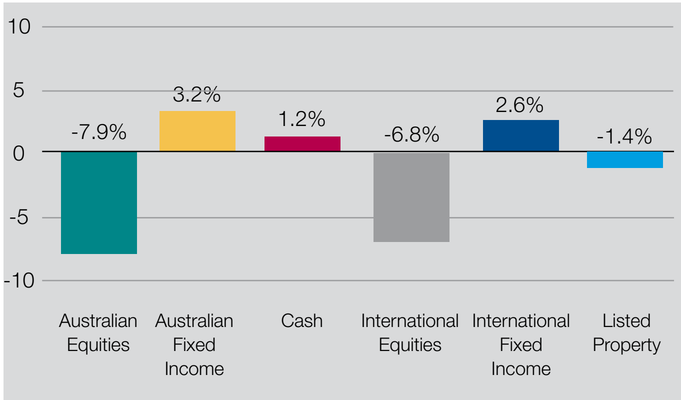
LifeCycle Objective Management Program

By number of years to retirement



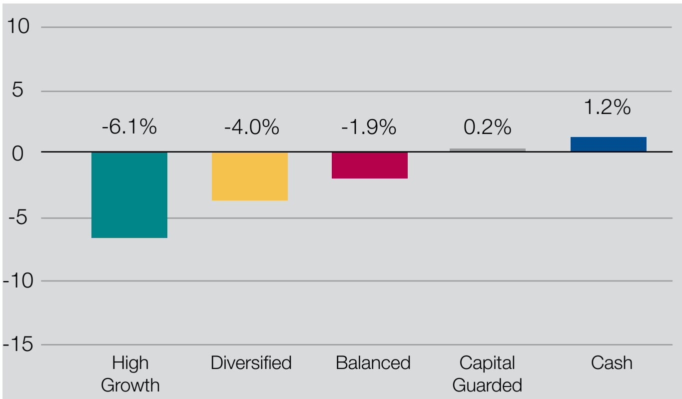
Member Choice Program

Investment Pool Returns



Managed Portfolio Program

Strategy 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, 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

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