

Employer Newsletter



February 2004

Australian Public Superannuation Fund



Fund's Performance

What a year it's been!

Almost in mirror image to early 2003, the last six months of the calendar year have seen the growth based portfolios (portfolios with a significant allocation of investments to shares and property) benefit from the turnaround in share markets. The High Growth portfolio was the stellar performer with a 8.8%* return for the six months to December 2003.

The Diversified and Balanced strategies also performing well with 7.0%* and 5.1%* return rates respectively.

The more defensive portfolios with investments in bonds and cash, ie Capital Guarded, have been impacted by the fall in bond prices as interest rates started climbing late in 2003. Despite this, the Capital Guarded portfolio did exceptionally

well with a return rate of 3.4%*, while cash, with a return of 2.6%*, reflected the defensive nature of this portfolio

The Fund also took steps to insure against the fall in bond prices and the rise in the Australian dollar, resulting in stronger performance than would otherwise be the case.

Where to from here?

As the economic growth began to accelerate in late 2003, the need for a stimulatory monetary policy with low short-term interest rates began to recede. Consequently the reserve bank of Australia (in November and again in December) raised official interest rates 0.25% per time, becoming the first central bank to tighten rates in this cycle. This was carried out to provide a disincentive

Welcome

Welcome to the first edition of the Employer Newsletter for 2004. In this edition, we give you the latest on the Fund's performance, provide you with a list of upcoming seminars, explain Co-contributions, plus more. We look forward to keeping you informed and up to date with the latest information throughout the year!

to the rapid growth in housing and consumer finance that had been encouraged by low interest rates of the last few years.

We believe there are likely to be more rate increases to come - both locally and internationally. However, the better investment results being recorded for 2003/04 to date provide a positive contrast to the last few years.

* These figures are for APS Silver Members, for full performance figures please call Member Services on 1800 067 059.

Quarterly Superannuation Guarantee Contributions

It is now common knowledge that SG contributions must be paid quarterly. The ATO imposes penalties if SG contributions are not made by the quarterly cut off date.

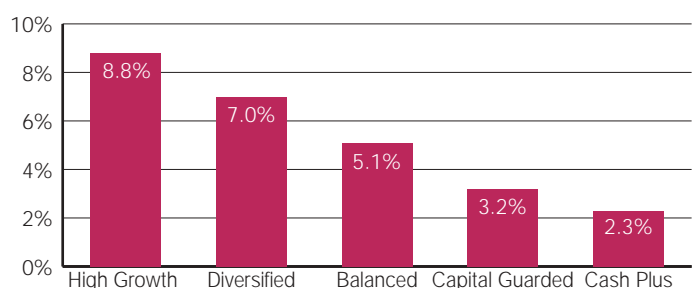
The following table obtained from the Australian Taxation Office lists the cut off and lodgment dates.

Superannuation guarantee quarter	Cut off date for superannuation guarantee contributions	Due date for lodgment of a SG statement (if cut off date is missed)
1 Oct - 31 Dec	28 Jan	14 Feb
1 Jan - 31 Mar	28 Apr	14 May
1 Apr - 30 June	28 July	14 Aug
1 July - 30 Sept	28 Oct	14 Nov

Employer Helpline

The APS Fund's Employer Helpline can help you with any superannuation related matter, eg matters arising relating to SG contributions, superable salary and SG deadlines. The number is 1800 636 441.

APS Fund half-yearly returns (compounded) 1 July 2003 to 31 December 2003



* These figures are for APS Silver Members, for full performance figures please call Member Services on 1800 067 059.

To get this quarterly newsletter emailed to you, email us at info@chifley.com with "APS Employer Newsletter" in the subject line.

Good news for members with low income

Explaining superannuation Co-contributions

The Commonwealth government recently introduced legislation to provide for a "superannuation co-contribution" for "lower income earners". Your employees may be confused as to what Co-contributions are all about. The following is a guide you may use to explain to them what it all means and how it may impact them.

How do I know if I qualify for a co-contribution?

To qualify for a co-contribution:

- You must be making your superannuation contributions on an after tax basis;
- You will need to make these superannuation contributions (that will qualify for a co-contribution) directly into your account - contributions to spouse's account do not qualify.
- You should have "Total Income" (as determined by the ATO) of less than \$40,000 in the year you are seeking co-contributions.
- You must be eligible for employer superannuation contributions (e.g. you should be working during the period. If you are on leave without pay for the whole year, you will not be entitled to claim co-contributions).

What do I need to do to have my eligibility for co-contributions assessed?

You don't have to do anything!

Somewhat like the surcharge, whether you are eligible or not, is determined by the ATO combining information from your tax return and from the Fund's Administrator.

The ATO determines your eligibility based on your "Total Income". This is calculated by adding the total of your "assessable income" and "reportable fringe benefits".

The ATO then reviews details of any superannuation contribution provided by your Fund that may be eligible for a co-contribution.

Once the ATO has these two pieces of information they then determine whether you are eligible for a co-contribution and what the co-contribution amount will be.

Co-contribution payment for various levels of income/contribution

	Total Income (p.a.)					
	Up to \$27,500	\$30,000	\$32,500	\$35,000	\$37,500	\$40,000 and above
Example 1 Your after tax Contribution of \$500 p.a.	\$500	\$500	\$500	\$400	\$200	\$0
Example 2 Your after tax Contribution of \$1,000 p.a.	\$1,000	\$800	\$600	\$400	\$200	\$0
Example 3 Your after tax Contribution of \$2,000 p.a.	\$1,000	\$800	\$600	\$400	\$200	\$0



How much is the co-contribution?

The co-contribution is a matching contribution, dollar for dollar subject to a maximum of \$1,000. This maximum starts reducing once your "Total Income" reaches \$27,500 (down to zero once your income reaches \$40,000). The co-contribution examples table gives you a guide.

Who will pay the co-contribution?

The Commonwealth Government pays the co-contribution.

When will this take effect and when will I receive my co-contribution?

The effective date is 1st July 2003. That is, co-contributions apply to the current financial year. Some members will have already paid in sufficient personal contributions to attract some, or all of the available co-contribution.

The Fund will send the required information to the ATO by 31 October 2004. When the co-contribution is paid to you really depends on when you send in your tax return.

Remember the ATO needs both pieces of information to determine who is eligible and how much needs to be paid. Given this, it is likely that any co-contribution payment will be made in 2005.

How will I receive my co-contribution?

Any co-contribution payment will be made to the superannuation fund which reported the highest post tax superannuation contribution for you that year as a personal (post tax) contribution.

If this is the APS Fund, we will automatically receive and report any co-contribution amounts in your name.

How will my co-contribution be taxed?

Superannuation co-contributions are tax-free - both on the way into and on the way out of the Fund.

Should I review my current contribution strategy?

Every time superannuation tax rules change you should review your arrangements.

Because each situation is different, we recommend you contact Member Services on 1800 067 059. If you have complex arrangements, we encourage you to speak to a Chifley Financial Planner.

Regional Offices

Just a reminder that the following are our office details. Please feel free to let your employees know they are welcome to visit to discuss super-related issues.

Sydney

28 Margaret Street
- Michael Harris

Wollongong

Shop 2 & 3/60 Burelli Street
- Jenny Stimson

Lismore

81-83 Molesworth Street
- Janine McLelland

Wagga Wagga

2/209 Baylis Street
- Dean Cooper

Orange

187 Summer Street
- Rebecca Ellington

The following offices are staffed one day per month - bookings are essential:

Albury

429 Swift Street

Goulburn

148 Auburn Street

Appointments can be made by calling
1800 067 059

Newcastle Regional Office

The Fund has taken the decision to open an office in Newcastle in early 2004, ensuring that we are conveniently located to members in that area. The Board is finalising discussions on the location of the office.



Fund sponsored seminars

The Fund regularly holds free Retirement and Wealth Creation Seminars.

The Retirement Seminars are targeted at the over 50's and provide information on the following issues:

- Building Wealth
 - Maximising Super Benefits
 - Minimising Tax
 - Investment Options

- Decision Time
- Income Streams in Retirement
- Practical Case Studies
- Centrelink
- Age Pension & Allowances
- Asset and Income Tests
- Lifestyle
- Nutrition
- Exercise and planning for your retirement

Following are the details of the upcoming **Retirement Seminars***:

Date	Location	Time
February		
Tues, 10th	Campbelltown	8:45 am - 2:45 pm
Wed, 11th	Bankstown	4.45 pm - 8.15 pm
Thurs, 19th	Broken Hill	8:45 am - 2:45 pm
March		
Wed, 3rd	Sydney	4.45 pm - 8.15 pm
April		
Sat, 3rd	Wollongong	8:45 am - 2:45 pm
Tues, 6th	Tamworth	8:45 am - 2:45 pm
Wed, 7th	Moree	8:45 am - 2:45 pm
Thurs, 8th	Glen Innes	8:45 am - 2:45 pm
Tues, 20th	Merimbula	8:45 am - 2:45 pm
Wed, 21st	Bateman's Bay	8:45 am - 2:45 pm
Thurs, 22nd	Nowra	8:45 am - 2:45 pm
May		
Wed, 5th	Windsor	8:45 am - 2:45 pm
Tues, 11th	Griffith	8:45 am - 2:45 pm
Wed, 12th	Wagga Wagga	8:45 am - 2:45 pm

Morning tea and a light lunch are provided.

* For a full list of seminars go to www.chifley.com.

The Wealth Creation Seminars are targeted at the under 50's and provide information on the following issues:

- Creating an easy personal budget

- How much to save
- Reducing your tax payable
- How to get the most out of your savings
- Other important issues you need to consider

Following are the details of the upcoming **Wealth Creation Seminars***:

Date	Location	Time
April		
Wed, 21st	Rooty Hill	5.30 pm - 8.00 pm
Wed, 28th	Gosford	5.30 pm - 8.00 pm
May		
Wed, 5th	Wollongong	5.30 pm - 8.00 pm
Wed, 12th	Sydney	5.30 pm - 8.00 pm
Thurs, 13th	Griffith	5.30 pm - 8.00 pm

A light dinner is provided. Members can reserve a seat at one of these seminars by calling 1800 067 059.

* For a full list of seminars go to www.chifley.com.

Employer Information Seminars

The APS Fund is holding Employer Information Seminars aimed at helping employers to meet their superannuation obligations. The seminars will cover topics such as

- Legislative changes
- Co-contributions vs Salary Sacrifice
- Worksite Visits
- Financial Planning

To make your booking, please call 1800 636 441

Date	Location	Time
March		
Tues, 16th	Sydney	8.45 am - 1.00 pm
Wed, 17th	Rooty Hill	8.45 am - 1.00 pm

Morning tea and light lunch provided.

For more information, contact us at:
 Australian Public Superannuation Fund
 Employer Helpline: 1800 636 441
 Member Helpline: 1800 067 059
 Fax: (02) 9273 0033
 Website: www.chifley.com
 Write: Ground Floor
 28 Margaret Street
 Sydney, NSW 2000