

## Super Basics for Employees

Superannuation is an investment strategy designed to help you save for your retirement. Depending on your circumstances, the more money you are able to contribute to your superannuation account over the course of your working life, the more comfortable your retirement will be.

The Commonwealth Government encourages this objective by giving superannuation considerable tax advantages compared to other forms of saving. However in return, superannuation funds and their members must comply with strict conditions.

### Superannuation Guarantee

The Superannuation Guarantee (Act) 1992 requires all employers to provide a minimum superannuation cover for all eligible employees. You are considered an eligible employee if you are:

- aged 18 years or over but under 70 and
- paid at least \$450 (before tax) in a calendar month.

If you are under 18, you are eligible for the superannuation guarantee if you work 30 hours or more a week. You may also be eligible if you work under a contract that is wholly or principally for your labour.

You may not be eligible if you are:

- paid to do work of a private or domestic nature for 30 hours or less each week;
- a non-resident employee and you're paid to do work outside Australia;
- a member of the Army, Navy or Air Force Reserve;
- a foreign executive holding a specific class of visa or entry permit; or
- temporarily working in Australia for an overseas employer and are covered by a bilateral social security agreement.

If you are eligible, your employer must make superannuation contributions of at least 9% of your gross salary or wages. The contributions must be fully vested, i.e. your right to the contribution cannot be dependent on length of service. Contributions are calculated as a percentage of ordinary times earnings, which is what you earn for your ordinary hours of work. This generally includes your ordinary pay, over-award payment, shift loading, commission, annual leave and sick leave. It does not include eligible termination payments and fringe benefits.

### Choice of Fund

Choice of Fund law gives you the right to choose which superannuation fund will receive your employer superannuation contributions, including the 9% compulsory super contribution.

Some employees may be exempt from the choice of super fund rules, including employees covered by:

- A Workplace Agreement or a Certified Agreement under the Workplace Relations Act 1996; or
- A State Industrial Award.

For most other employees who are not covered by these agreements or awards, employers must comply with the legislation. There are some additional exemptions which can be found on the Australian Taxation Office's website – [www.ato.gov.au](http://www.ato.gov.au).

As an employee, if you elect to make a choice you are responsible for providing your employer with these details:

- The name of the fund and confirmation that it is a complying superannuation fund;
- The relevant account number and bank account details for payment of contributions; and
- Confirmation that the fund will accept contributions from the employer. This is likely to take the form of a letter from the Fund's Trustee.

If you do not provide this information to your employer, your employer is not required to make payments to your chosen superannuation fund. However they will need to contribute to the default fund on your behalf.

## Contributing to a MAP Superannuation Plan account

There are many different types of contributions that can be made to your MAP Superannuation Plan account and they all do the same thing - help you save for your retirement.

Super contributions fall into two main categories:

- Concessional Contributions; and
- Non-concessional Contributions.

### CONCESSIONAL CONTRIBUTIONS

Concessional Contributions are typically pre-tax contributions made on your behalf by your employer. These contributions are taxed on entry to the Fund at a 'lower concessional' rate of 15%.

**Superannuation Guarantee ('SG') Contributions:** Legislation generally requires your employer to make Superannuation Guarantee (SG) Contributions based on a percentage of your pay. SG Contributions must be 9% of your gross ordinary time earnings.<sup>1</sup>

**Salary Sacrifice Contributions:** At your request, your employer may agree to make Salary Sacrifice Contributions on your behalf. Salary Sacrificing involves your employer agreeing to, and making, pre-tax contributions into your super in lieu of part of your gross salary. By Salary Sacrificing you may benefit from a reduction in income tax. See our Salary Sacrificing Factsheet for more information.

**Award Employer Contributions:** Your employer may be required to make contributions under an agreement or award certified by an industrial authority. Award contributions count toward meeting the SG. Contributions must meet both the SG and the award but are not cumulative. For example, a 3% award obligation and a 9% SG obligation requires a 9% contribution, not a 12% contribution.

**Other Employer Contributions:** Your employer may make other pre-tax contributions to your super in addition to any SG, Award or Salary Sacrifice Contributions. For example, your employer may agree to contribute 12% superannuation instead of the SG rate of 9%. However, 9% of this contribution is considered a SG Contribution while the remaining 3% would be classified as an Other Employer Contribution.

**Self-Employed Contributions:** If you are self-employed or substantially self-employed (where less than 10% of your total assessable income is from employment), you can usually make tax-deductible contributions for yourself. You may claim a deduction for the full amount contributed in a financial year up to the Concessional Contribution Cap limit.

### NON-CONCESSIONAL CONTRIBUTIONS

Non-concessional Contributions are typically after-tax contributions made by yourself or your spouse and attract no tax on entry to the Fund.

**Personal Contributions:** You may decide to make voluntary, after-tax contributions to your super. You can either make the payment yourself, or your employer may agree to make the payment on your behalf from your after-tax pay.

**Government Super Co-contributions:** If your income is less than \$61,920 (in 2011/12) you may be eligible for the Government Super Co-contribution, a payment made by the Government into your super to add to Personal Contributions that you make during the financial year. See our Government Super Co-contribution Factsheet for more information.

**Spouse Contributions:** If both you and your spouse are Australian residents, your spouse (married or de facto, including same-sex couples) may be able to contribute to your super on your behalf. Contributions cannot be made by your spouse if they are your employer. See our Super and your Spouse Factsheet for more information.

**Sale of a business and personal injury payments:** You may also be able to contribute the proceeds from the sale of a small business and personal injury payments to your super. There are additional eligibility criteria and taxation consequences for these types of contributions and you should discuss this strategy with a qualified financial planner.

<sup>1</sup> Ordinary time earnings includes over-award payments, shift loadings, allowances, commissions, annual and sick leave. It does not include overtime, employment termination payments and fringe benefits.

## Payment methods

There are a number of ways you can make contributions to your account.

### BPAY®



When you join the MAP Superannuation Plan we will send you a BPAY® information sheet, which includes BPAY® numbers unique to your account. These BPAY® numbers are assigned to different types of contributions. By using these numbers MAP will know who the contribution came from and what type of contribution it is. You won't need to fill out any paperwork and you will always have a record of the payment on your bank statement.

### Electronic transfer

Contributions can be made into your MAP Superannuation Plan account through your bank's electronic transfer service. You will need to advise us that you have made the contribution by sending us a completed Remittance Advice Form. This form is available at [www.mapfunds.com.au](http://www.mapfunds.com.au)

### Cheque

You can mail us a cheque with a completed MAP Superannuation Plan Contribution Remittance Advice Form to:

**MAP Funds Management Ltd**  
**Reply Paid 1130, Brisbane QLD 4001**

Cheques should be made out to MAP Master Superannuation Plan



Visit [www.mapfunds.com.au](http://www.mapfunds.com.au) to download a Contribution Remittance Advice Form for Employers or call us on 1800 640 055.

### Regular contributions

You can establish regular BPAY® or direct deposit contributions from your bank account to your MAP Superannuation Plan account. If you set up a regular BPAY® contribution there is no need to send us any paperwork. If you set up a regular direct deposit then you should advise us by writing to: MAP Funds Management, Reply Paid 1130, Brisbane QLD 4001

## Accessing your Super

At present, your superannuation savings can only be paid out if you meet one of the following Conditions of Release:

- You reach age 65;
- You reach your preservation age and permanently retire from work;
- You commence a transition to retirement income stream on, or after your preservation age;
- You die;
- You suffer total and permanent disability (as assessed by the Trustee);
- You meet the APRA determined requirements of severe financial hardship and the Trustee approves payment of the benefit (to a maximum of \$10,000 per year);
- You are deemed eligible on compassionate grounds by APRA;
- You have a terminal medical condition which two medical practitioners, including one specialist, have certified is likely to result in your death within 12 months;
- You are a temporary resident permanently leaving Australia;
- Your employment is terminated and your account balance is less than \$200; or
- You are a lost member who is found and your account balance is less than \$200.

## Member Login

MAP's Member Login is an easy to use and secure online system that allows you to:

- View your up-to-date account balance;
- Update your details;
- View and request a change to your investment allocation;
- Check your transaction history; and
- Download forms and factsheets.

## About MAP

A "Profit for Members" fund established by Doctors over 50 years ago to meet the superannuation and investment needs of medical and allied health professionals. MAP quickly grew to become the Superannuation Fund of choice for many Medical Professionals throughout Australia. In 1992 due to a growing demand for acceptance from other professions MAP became a Public Offer Entity. MAP has evolved to now provide a broad range of comprehensive, specialist and individually tailored financial, investment and retirement planning services through MAP Financial Planning and the MAP suite of products. Doctors are still a majority on our Board and thankfully a few of MAP's first members are still with us as we continue to offer the care of professionals to the professionals who care.

## Contact Us

GPO Box 1130, Brisbane QLD 4001  
enquiries@mapfunds.com.au  
www.mapfunds.com.au

Telephone: 07 3838 1234  
Toll Free: 1800 604 055  
Facsimile: 07 3838 1235

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