

How super works

FactSheet

26 August 2023

This information is about Cbus Super. It doesn't account for your specific needs. Please consider your financial position, objectives and requirements before making financial decisions. Read the relevant Product Disclosure Statement (PDS) and Target Market Determination to decide if Cbus Super is right for you. Call **1300 361 784** or visit **cbussuper.com.au**.

Issued by United Super Pty Ltd
ABN 46 006 261 623 AFSL 233792 as Trustee for the Construction and Building Unions Superannuation Fund ABN 75 493 363 262 (Cbus and/or Cbus Super). Use of 'us', 'we', 'our' or 'the Trustee' is a reference to United Super Pty Ltd. Use of 'Fund' refers to Cbus Super Fund, which offers Cbus Super and Media Super products. MySuper authorisation 75 493 363 262 473.

Insurance is issued under a group policy with our insurer, TAL Life Limited
ABN 70 050 109 450 AFSL 237848.

1233.6 08-23 ISS14



The information in this document forms part of the following Product Disclosure Statements:

- *Cbus Industry Super Product Disclosure Statement* issued 26 August 2023
- *Cbus Sole Trader Super Product Disclosure Statement* issued 26 August 2023
- *Cbus Personal Super Product Disclosure Statement* issued 26 August 2023
- *Cbus Corporate Super Product Disclosure Statement* issued 26 August 2023

Super can help you build the future you want

Super is money saved over your working life to help support you when you retire. So it's important to understand how super works and what you can do to make the most of it.

What is super?

For most people, super begins when you start work and your employer begins paying an amount into a super fund for you.

These compulsory super payments (called your super guarantee contributions or SG) must be at least 11% of your pay for any ordinary hours you work (called your ordinary time earnings). This is paid on top of your salary or wages, so you're not sacrificing any of your pay to save for your retirement.

For many people, these payments may not provide enough to live comfortably in retirement. So there are other ways to add to your super and help your savings grow.

Type of contribution	Paid from	Made by	How to make them	Government contributions tax
Salary sacrifice	Your before-tax salary	Your employer	Ask your employer to redirect a portion of your before-tax salary into your Cbus Super account. (Make sure you check that doing this won't reduce any of your other salary-based entitlements.)	Taxed at 15%* when paid into your account.
Personal contribution	Your after-tax (take-home) pay (or from your own savings)	You	You can make personal contributions by cheque, direct debit or BPAY® via our website. We can only accept them if you've given us your tax file number (TFN).	Tax free when paid into your account (as long as you stay under the contributions cap – see page 3). Taxed at 15%* if you claim a tax deduction for these contributions. Eligibility criteria applies – visit our website or call us for details.
Spouse contribution	Your spouse's after-tax (take-home) pay	Your spouse (married, de facto or same sex partner you live with on a genuine domestic basis)	Your spouse can make contributions to your account by BPAY or cheque. We can only accept them if your spouse has given us their TFN. Your spouse may be eligible for a tax offset of up to \$540 per financial year if they contribute to your account. The tax offset applies when both you and your spouse meet certain conditions – visit our website for details.	Tax free when paid into your account (as long as you stay under the contributions cap – see page 3).
Co-contribution	The Government	The Government	If you're eligible, for every \$1 of after-tax contributions you make to your super, the Government could contribute an extra 50 cents, up to a maximum of \$500. Your total income† must be less than \$58,445. The co-contribution reduces for each dollar of total income over \$43,445 and cuts out at \$58,445. After you've made a personal contribution and lodged your tax return, the ATO will determine whether you're eligible. If you are, they'll pay it directly into your super account. Visit our website for full details and eligibility criteria.	Tax free when paid into your account.
Downsizing contributions	The sale of your house	You	The Government wants to encourage those nearing or in retirement to downsize their home and invest the money into super. So, if you're 55 or over, and meet the eligibility requirements, you could be eligible to make a downsizer contribution into super of up to \$300,000 from the proceeds of selling your home (\$600,000 for couples). To make a downsizer contribution complete the ATO form and send it to us, along with the contribution within 90 days of settlement. For details and to download the form visit ato.gov.au/super .	Tax free when paid into your account (and it doesn't count towards your contribution caps).
Low income super tax offset	The Government	The Government	If you're eligible and earn \$37,000 or less, the Government automatically refunds any tax you've paid on before-tax contributions up to \$500. When you lodge your tax return the ATO will work out your eligibility and pay the LISTO directly into your super account. We can only accept it if you've given us your TFN.	Tax free when paid into your account.

* A higher tax rate applies if you're a high income earner or we don't have your TFN.

† Total income includes assessable income plus reportable fringe benefits and reportable additional employer super contributions (e.g. salary sacrifice contributions or certain concessional employer contributions).

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How much can you contribute?

The Government limits (caps) how much you can contribute to super each year at lower tax rates. It's important to know these limits and track the amount you contribute to all your super funds each year.

If contributions to your super are over the cap you will generally be subject to higher tax. In some circumstances this can be taken out of your account in the fund (go to ato.gov.au for more information on tax). Contributions above your before-tax cap will also count towards your after-tax total.

Before-tax (concessional) contribution cap	After-tax (non-concessional) contribution cap
\$27,500 a year*.	\$110,000 a year*.
If your before-tax contributions are less than \$27,500 and you have less than \$500,000 in super at the end of the financial year, you can carry forward any unused amounts in your before-tax contributions caps [†] . Unused amounts carried forward expire after five years.	If you're under age 75, you may be able to contribute \$330,000 in a three-year period.

* Limits for the 2023/24 financial year. Your total super balance across all accounts also affects these limits. For more information, contact us.

[†] Until 30 June 2021 the before-tax contributions cap was \$25,000.

You can apply to claim a tax deduction for personal contributions. The personal contributions you claim as a tax deduction are treated as before-tax contributions.

This means they contribute to your before-tax contributions cap shown above. Make sure you think about how this affects your tax and super before deciding to claim a tax deduction.

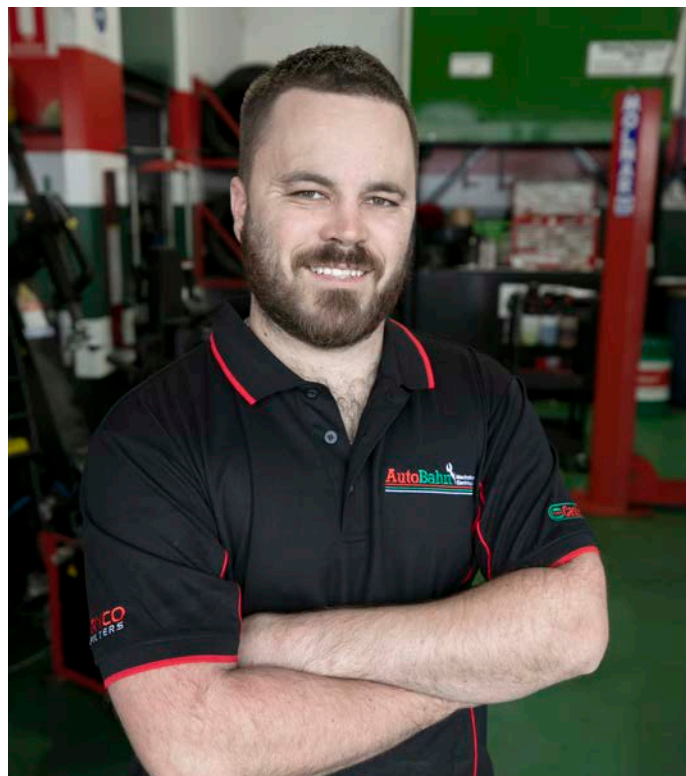
If you're between 67 and 75 years old you'll still be required to meet the work test or the work test exemption criteria to claim a deduction for personal super contributions. Visit ato.gov.au to learn more.

For more information, read the *How super is taxed* fact sheet available from cbussuper.com.au.

Who can contribute extra to their super?

Your ability to make extra contributions at concessional tax rates may be restricted by your age and how much you've already saved in super (your total super balance – see below for more details).

If you're over 75, we can only accept mandatory super contributions such as SG. Visit cbussuper.com.au/boostsuper for more details.



Keep track of your total super balance

Your total super balance (across all super and income stream accounts you hold) can impact your ability to make or receive certain contributions and the tax rates that apply.

Once your total super balance reaches \$1.68 million[†] restrictions will apply, including that you won't be able to contribute a full \$330,000 in non-concessional contributions. If your total super balance reaches \$1.9 million you won't be able to make any non-concessional personal contributions to super, and there may be tax implications.

Visit cbussuper.com.au/login to check your Cbus Super balance online.

[†] Limit for the 2023/24 financial year. Some amounts are excluded from the calculation of the balance (e.g. personal injury compensation amounts that qualify as structured settlements). Visit the Australian Taxation Office website at ato.gov.au or contact us for more information.



Calculate how much super you'll need

Visit cbussuper.com.au/calculators for help preparing for your future:

- *Superannuation contributions calculator* – Find the most tax-effective way you can contribute to your super.
- *Retirement income calculator* – Work out how much you might need in retirement.

When can I withdraw my super?

Because super was created to help support you when you stop work, Government rules set out when you can take it out. These are called 'preservation rules' and mean your super is divided into two parts: 'preserved' and 'non-preserved'.

Preserved amounts

These are all contributions (since 1 July 1999) and investment earnings applied to super accounts. They are 'preserved' (unable to be paid to you) until you meet an eligibility condition that lets you access your super.

Conditions for accessing preserved amounts

You can't generally access preserved amounts until you permanently retire after reaching your preservation age (shown in the table below) or you reach age 65.

Your date of birth	Preservation age
Before 1/7/1960	55
1/7/1960 – 30/6/1961	56
1/7/1961 – 30/6/1962	57
1/7/1962 – 30/6/1963	58
1/7/1963 – 30/6/1964	59
1/7/1964 and after	60

You may also be eligible to access these amounts if:

- you reach age 60 and an employment arrangement has ended
- you become permanently incapacitated
- you have a terminal illness
- you have Government approval to receive some of your super on compassionate grounds or meet eligibility conditions due to severe financial hardship
- you change jobs and your account balance is \$200 or less, or you are a 'lost' member who is found and you have less than \$200 in your account on its release
- you're eligible for a payment through a release authority under the *Income Tax Assessment Act 1997*
- you are an eligible former temporary resident that qualifies for a Departing Australia Superannuation Payment (DASP) – see next page
- you die (in this case your beneficiaries would receive your benefit).

Non-preserved amounts

There are two categories of non-preserved amounts.

Restricted non-preserved amounts can generally only be paid out if:

- you meet one of the above conditions for accessing super for preserved amounts, or
- you're no longer working for a contributing employer.

Unrestricted non-preserved amounts can generally be paid out at any time.

Early release of your super

The Government may allow you to use your preserved super before your preservation age, in very limited circumstances.

Severe financial hardship

You may qualify for an early release of your super under 'severe financial hardship' rules if you are either:

- under preservation age, and you:
 - have been on an eligible Commonwealth Government income support payment for a continuous period of 26 weeks
 - can't meet reasonable and immediate family living expenses

Only one withdrawal from any super fund can be made in any 12-month period on the grounds of financial hardship.

If you're below preservation age when making a claim, you can claim between \$1,000 and a maximum of \$10,000. This amount is taxed before it leaves your Cbus Super account regardless of your age.

- preservation age or older, and you:
 - have been on an eligible Commonwealth Government income support payment for a cumulative period of 39 weeks after you reached your preservation age
 - are not gainfully employed on a full or part-time basis on the date you applied for your benefit.

There's no maximum if you've attained preservation age and have been receiving a Commonwealth Government income support benefit for 39 cumulative weeks.

If you're unable to verify that you're receiving an eligible Commonwealth Government income support payment, we can't assess your claim.

For more information or to apply, visit cbussuper.com.au/forms for a copy of the *Financial hardship benefit payment application form*.

Compassionate grounds

You may be able to access some of your super before you retire on compassionate grounds to help pay for:

- medical costs (for you or your dependants) to treat a life-threatening illness or injury, acute or chronic pain or an acute or chronic mental disturbance. The Australian Taxation Office (ATO) must agree that this treatment is not easily available through the public health system.
- transport costs to and from medical treatment for you and your dependant by land, water, or air to treat a life threatening illness or injury, acute or chronic pain or mental disturbance.
- modifications (such as changes to your home) needed to meet special needs if you or your dependent has a severe disability. Any changes need to be certified by your doctor.
- funeral and other expenses if a dependent family member dies.
- care for yourself or a dependant who is dying from a terminal illness, including home care.
- costs to prevent your mortgagee (lender) from selling your principal place of residence.

The ATO must agree your application for early release of super meets the government definition of 'specified compassionate grounds'.

You can apply for compassionate release of your super online by logging into your myGov account and following the prompts. If you live outside Australia, you'll need to contact the ATO on +61 2 6216 1111 to request an application form.

Temporary residents (Departing Australia Superannuation Payment – DASP)

If you've worked in Australia on a temporary resident visa, you may be able to claim any super you were paid if:

- you worked in Australia on a temporary visa (except subclass 405 or 410 temporary visas)
- your visa has expired or been cancelled
- you've left Australia
- you're not a citizen or permanent resident of Australia
- you're not a citizen of New Zealand.

To check if you're eligible to receive your super benefit, contact us on **1300 361 784** (within Australia) or on **+61 2 8571 6550** (from overseas) or visit cbussuper.com.au/forms to find more information in the *How to claim your super once you've left Australia* fact sheet.

How do I apply for payment?

After you leave Australia, you can claim your super at any time, however we recommend you start your application while you're still in Australia and have all the relevant information handy. The easiest way is to visit ato.gov.au to use the DASP online application.

This is a free service and your details will be confirmed electronically through a direct link between the ATO and Department of Home Affairs. You may have to provide documentation to prove your identity and immigration status.

How long will payment take?

Once we've received your completed DASP application from the ATO, we'll usually pay your super within 28 days (though this may take longer if we need more information from you).

How will I receive my money?

When we complete your payment instruction you'll receive:

- payment by electronic funds transfer to your Australian bank account, or
- a cheque for the amount of the super payment (less tax) in Australian dollars (you'll need to make sure your overseas bank accepts cheques in Australian dollars before choosing this option), and
- a payment summary.

Can I leave my super in Australia?

You can leave your super in Australia, but we'll have to transfer it to the ATO as unclaimed super after six months from your visa expiry. Your money isn't invested if it's sitting with the ATO. Instead, interest is calculated using the consumer price index (CPI). Accounts transferred to the ATO will not have any insurance benefits.

You then have to claim your super through the ATO rather than through us.

If you don't claim your benefit

The ATO will ask Cbus Super to transfer your super account to them. We rely on a 'class order relief' given by ASIC and don't send an Exit Statement or other notice when your money is paid to the ATO (but you can contact us to request one). If your super has been transferred, you'll need to apply for payment through the ATO by calling **13 10 20** (within Australia) or **+61 2 6216 1111** (outside Australia).

How will the payment be taxed?

The following withholding tax rates apply to DASP payments:

- 0% for the tax-free component
- 35% for a taxed element of a taxable component
- 45% for an untaxed element of a taxable component
- 65% for the taxed or untaxed element of payments made to working holiday makers if the payment includes super contributions made while you held a subclass 417 (Working Holiday) visa or 462 (Work and Holiday) visa and/or associated bridging visa.

No additional amount is required to be withheld for the Medicare Levy.

Preparing to retire

As you near retirement and start to think about finishing work, if you have reached your preservation age you could consider the Transition to Retirement option of our Cbus Super Income Stream. Income streams allow you to withdraw regular payments from your super savings while you're still working. This can give you flexibility to scale back your work hours without losing your regular income. Visit cbussuper.com.au/retirement for details.

After you retire

When you permanently retire after reaching your preservation age, cease an employment arrangement after turning 60, or turn 65 you can either access your super savings as a lump sum benefit or consider the Fully Retired option of our Cbus Super Income Stream which provides a regular income payment. Visit cbussuper.com.au/sis for details.

Other information

Why it's important to keep track of your super

Even though you may not be able to use it yet, super is an important part of your finances.

Over your lifetime you could save up a lot of money in your super account. That's why it's important to keep track of where your super is and who you're leaving your super and any insurance benefits to if you die before you reach retirement.

If you've ever:

- changed your name
- changed address
- changed jobs, or
- done casual or part-time work

chances are you've lost track of some of your super. Australians have billions of dollars in super waiting to be claimed.

What happens to your super if it becomes 'lost' or 'unclaimed'?

Lost or unclaimed super may be held by either a super fund or the ATO.

If a lost or unclaimed super account is transferred to the ATO, the benefits you normally receive (such as insurance cover) will stop.

Your money isn't invested if it's sitting with the ATO. Instead, interest is calculated using the consumer price index (CPI).

How to search for lost or unclaimed super

There are a few ways you can look for lost or unclaimed super (including any insurance cover you may have):

Search for your super online

Log into your online account at cbussuper.com.au/login and go to *Consolidate your super*. Here you can search for your super using your TFN. You'll need to verify your identity, so have your ID ready.

You can then easily transfer any super amounts found into your Cbus Super account. (Please note, any money held for you by the ATO will automatically be transferred to your Cbus Super account.)

Alternatively, if you already know the details of your other super accounts you can submit a transfer request online here also.

Need help finding your lost super?

- Call us on **1300 361 784** to run a search on your behalf. You'll need your TFN handy and we'll need to run an ID check with you (to make sure the super belongs to you).
- Or visit cbussuper.com.au/forms and complete the *Combine your super into Cbus* form.

Before you roll any lost or unclaimed super into your Cbus Super account

Visit cbussuper.com.au for more information or a copy of our Product Disclosure Statement (PDS). Read our PDS before you decide whether to combine your super together.

You also need to check whether:

- your old funds will stop other benefits such as insurance, and
- you're eligible for adequate insurance and other benefits with us.



Inactive low account balance transfers out of Cbus Super

It's important that your hard-earned super isn't eaten up by fees. So we transfer some accounts that don't have much money in them out of Cbus Super.

Your super could be transferred to the ATO if:

- you don't have insurance through us, and
- you haven't met a condition of release, and
- your account balance is less than \$6,000 and you haven't received a contribution* or roll in for 16 months†, and
- during that 16 month period you haven't:
 - changed investment options, or
 - made or renewed a binding death benefit nomination, or
 - completed an *Inactive low-balance accounts – Authorising your funds to provide a written declaration to the ATO (NAT 75198)* form.

What happens next?

If your super is transferred, the ATO will work to match your super and combine it with other active super accounts you might have.

How to keep your super with us

We'll contact you before your account is transferred to give you time to take action. If you'd like your super to stay with Cbus Super, here are some simple things you can do:

1. Combine any other super you have into your Cbus Super account
2. Make a personal contribution to your account – even as little as \$5
3. Tell us you want to keep your account with Cbus Super using the *Inactive low-balance accounts – Authorising your funds to provide a written declaration to the ATO (NAT 75198)* form. Visit cbussuper.com.au/forms for a copy.
4. Make a change to your investment options
5. Make or amend a binding beneficiary nomination.

You should consider your personal financial circumstances, including the impact of fees on your account balance before deciding that Cbus Super is right for you.

* Contributions can include Superannuation Guarantee, additional employer contributions, salary sacrifice and personal contributions, spouse contributions, transfers from other funds, government co-contributions and low income super tax offset payments.

† For transfers to the ATO, this means you have less than \$6,000 invested in the Growth (MySuper) or other investment option which has not received a contribution* or rollover in 16 months.

Beneficiaries: who can get your super?

You can name your legal personal representative or your dependants as beneficiaries who can receive your super and any insurance you may have when you die.

A dependant is:

- your spouse, including married or de facto (same or different sex) relationships
- your children (including step, adopted, ex-nuptial or children of your spouse)
- any person or people who are financially dependent on you
- a person with whom you have an interdependency relationship, where two people (whether or not related by family) live together and have:
 - a close personal relationship,
 - one or each of them provides the other with financial support, and
 - one or each of them provides the other with domestic support and personal care.

Two people (whether or not related by family) who have a close friendship, but don't meet the other requirements above because either, or both, of them suffer from a physical, intellectual or psychiatric disability, are also defined as having an interdependency relationship.

People who share accommodation for convenience, for example flatmates, do not qualify as interdependent.

All your chosen beneficiaries must be alive and fall within one of the above dependant definitions at the time of your death.

How to tell us ('nominate') who your beneficiaries are

First, it's a good idea to tell your beneficiaries you have chosen them to receive your Cbus Super benefit. Also, think about getting financial advice before you choose them as the amount of tax paid on death benefits will depend on who your beneficiaries are.

Beneficiaries will be asked to provide evidence of their financial dependency. This could be copies of bills or a signed statement proving they relied on you for regular financial support.

There are two types of beneficiary nominations you can make: **binding** or **non-binding**.

1. Binding nomination

You can make sure your Cbus Super benefit goes to the people you choose by going to cbussuper.com.au/binding and completing the *Binding death benefit nomination* form.

A binding death benefit nomination must be updated at least every three years (from the date it was first signed, or last confirmed or amended by you).

By making a binding death nomination, Cbus Super is bound to pay who you have nominated (providing you're still a member when you die and your nomination was valid at the time of your death).

There's no charge for making a binding death nomination.

2. Non-binding nomination

You can nominate your non-binding beneficiaries on your application to join Cbus Super, or by completing the *Non-binding beneficiary nomination* form. A non-binding nomination means that while we'll consider the people you've nominated, we may pay someone else based on your circumstances and those of your dependants at the date of your death.

Changing your beneficiaries

You can change who you have chosen to receive your super and benefits at any time. Visit cbussuper.com.au to make changes online, or complete the *Non-binding beneficiary nomination* form at cbussuper.com.au/forms (or call us on **1300 361 784**).

Super explained easily

Super is designed to make your money work hard for you in retirement but understanding how it all works can be confusing. That's why we've created a library of videos that give you the super know-how to make informed choices about your super.

Visit cbussuper.com.au/knowhow to watch and learn.

Need help with your super? We make getting advice easy.

We don't expect you to have all the answers – that's our job! If you have a question about your super or would like detailed advice, we're here to help. Our Advice Services team offers a range of financial advice services to members of all ages.

Call and talk to us on 1300 361 784

Our team can talk with you about your super 8:30am to 6:00pm AEST/AEDT Monday to Friday, except national public holidays.

Cbus Super is here to help:

Arrange for a Cbus Coordinator to visit your workplace

We have a team of Coordinators right around Australia who are available to visit your workplace. They can help you and your mates understand more about your super and Cbus Super – visit cbussuper.com.au/contact for details.

Go online for easy access to super info

Our website cbussuper.com.au makes it easy to get all the information you need about super.



cbusenq@cbussuper.com.au
cbussuper.com.au
Log in to chat to us online



1300 361 784
8am to 8pm (AEST/AEDT)
Monday to Friday



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Visit us in person in Adelaide, Brisbane, Melbourne, Perth and Sydney.
Details: cbussuper.com.au/contact