cbus site news

February 2018 Edition

Super

Get your foot in the door with the First Home Super Saver Scheme (FHSS)

In an effort to help more first home buyers get into the property market, the First Home Super Saver (FHSS) Scheme was introduced by the Australian Government. The scheme allows you to save money for a first home inside your super fund – this means helping first home buyers save faster with the reduced tax rate treatment from within your super fund.

Saving for your first home is not easy – there's the initial deposit, insurance, stamp duty and upfront mortgage fees. It's easy to see why the Australian Government is offering a helping hand by introducing the scheme.

You can choose to make concessional (before-tax) and non-concessional (after-tax) contributions into your super fund. You can start making contributions from any age, but can't request a release of amounts that fall under the scheme until you are 18 years old.

If you're thinking about taking up the FHSS, you must:

- have not previously owned property or land in Australia
- have not previously released FHSS funds
- either live or intend to live in the premises you are buying as soon as practicable, and
- intend to live in the property for at least six months of the first 12 months you own it, after it is practical to move in.*

You can contribute up to $15,000 per financial year, up to a total of $30,000.

To find out more about eligibility for the First Home Super Saver Scheme – head to **www.ato.gov.au**.

*https://www.ato.gov.au/Individuals/Super/Super-housing-measures/First-Home-Super-Saver-Scheme/#Applyingtoreleaseyoursavings1

Being broke is no joke – contribute to your super by downsizing your home

From 1 July 2018, the Australian Government will introduce a new initiative that allows Australian's to contribute the proceeds of downsizing their home into their super account. This is part of many future developments to reduce pressure on housing affordability.

Targeted at Australian retirees, the Government's new initiative is to encourage homeowners aged 65 or over to downsize their family home, and invest the money into their super account. For some Australians, this could be the perfect opportunity to kick start the search for a smaller home and release built up equity to pay for retirement.

If you are 65 or over, and meet the eligibility requirements, you may want to make a downsizer contribution into your super of up to $300,000 per person ($600,000 per couple) from the proceeds of selling your home.

Downsizer contributions:

- don't count towards your contribution caps
- must be made within 90 days
- can only apply to the sale of one home
- are not tax deductible, and
- will be taken into consideration when determining the age pension.

The downsizer contribution does count towards your total super balance and transfer balance cap which is currently set at $1.6 million. This cap applies when you move your super savings into retirement phase*.

*https://www.ato.gov.au/Individuals/Super/Super-housing-measures/Downsizing-contributions-into-superannuation/

Cbus insurance

Do you know how much insurance you need?

If something unexpectedly stops you from working, it pays to have a back up plan.

Insurance cover could help provide you and your family with vital financial support – but how much cover is enough?

Work out how much you might need with our Insurance needs calculator.

We're here to help

Once you've explored your options our team of financial advisers can help ensure you're on the right path. Visit **www.cbussuper.com.au/advice**.

cheaper
fairer
better

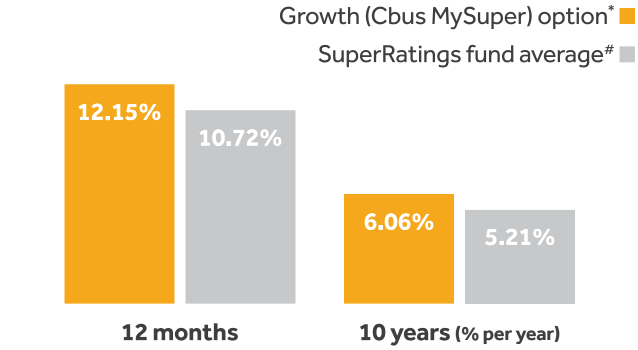
Investments

Performance update

Most members are invested in our award-winning Growth (Cbus MySuper) option, and we're pleased to report we've delivered another year of outstanding returns. This includes an average return of 6.06% a year over the last decade.

Returns can go down as well as up, but getting a good return over a longer period of time might matter more than you think.

Performance to 31 December 2017



Past performance is not a reliable indicator of future performance.

*Investment performance for the Growth (Cbus MySuper) option is based on the crediting rates, which is the return minus investment costs and taxes, the Trustee Operating Cost and reserves. Excludes account keeping administration fees.

#(Median) SuperRatings SR50 Balanced Survey, 31 December 2017. SuperRatings is a ratings agency that collects information from super funds to enable performance comparisons – visit **www.superratings.com.au**.

Want to get the latest in depth investment news and performance figures? Read our monthly news articles and investment updates at **www.cbussuper.com.au/cbusnews**.

Contact Cbus

Contact our Service Centre AEST/AEDT 8am to 8pm, Mon to Fri on **1300 361 784**

You can also contact your local coordinator. For further details, visit **www.cbussuper.com.au/coordinators**