

Media release

THINGS YOU NEED TO KNOW ABOUT YOUR SUPER BEFORE THE END OF JUNE

23 June 2011

For immediate release:

With just a few days left until the end of the financial year, there's still time for Australians to take steps to protect and grow their retirement nest egg.

BT Financial Group's Head of Super, Melanie Evans, said Australians can make major differences to the amount they have for retirement by making small decisions about their superannuation now.

"Your super is your money – almost \$1 in every \$10 you earn. The things you do this year might be as simple as checking to see that your superannuation fund has your contact details up-to-date or that you're happy with where your superannuation fund is investing your money.

"We understand that a superannuation account is the least of many people's worries and other day-to-day demands are more important. That's why the end of the financial year is a good reminder to spend a little bit of time looking after what is most people's second most valuable asset."

Here are just a few reasons why Australians might want to check they're on top of their super today:

Size may not be everything – but it's very important

- If a man retires at 60, he'll need \$680,000 to generate \$45,000 a year
- If a woman retires at 60, she'll need \$740,000 to generate the same amount – because a woman's life expectancy is longer.

Your age and your appetite

- How old you are will help determine what your appetite is for risk. A 20-year-old can afford to take more risk; someone in their sixties may need to be more conservative.

Less is more

- A single account can be cheaper than maintaining multiple accounts.
- For example, two people start with a superannuation balance of \$10,000. One person has just one account and the other has five accounts. Both pay an annual administration fee of \$60 for each fund.
- Over 30 years, the single super balance would be \$93,830 compared to the sum of the 5 super fund balances of just \$66,642. A difference of \$27,188 over 30 years – with the only explanation being the number of accounts.

BT Financial Group

For media enquiries contact



Coran Lill
Senior Media Relations Manager
BT Financial Group

Ph: 02 8253 2735
0468 963 068

coran.lill@btfinancialgroup.com

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Nominate your beneficiary

- Unless you formally nominate your beneficiary, the trustee of your fund will decide where your money goes on your death – and they may not be the right person.

Finders keepers

- If you've lost track of your super, you may well find it by going to www.ato.gov.au/superseeker or phone 13 28 65. You'll need your tax file number and date of birth. If at first you don't succeed, try any previous names such as your maiden name or married names.

It's not really a sacrifice

- If you contribute over and above compulsory superannuation, you could be significantly better off at retirement. Better still, if you do this through salary sacrifice, there are tax benefits.
- For example, take someone aged 30 who earns \$50,000 a year with \$20,000 already in super. Just with the minimum employer contributions, they could end up with around \$593,000 at age 65. By adding just an extra \$30 a week themselves, they could expect around \$833,000 on retirement. That's around \$240,000 or 41% extra from just \$30 per week.

You may be entitled to extra

- If you earn up to \$61,920 in a financial year, you may be eligible for a co-contribution from the Government when you make contributions to your super.

Last chance

- A proposed change in the law means that 2012 will be the last financial year that those who are over 50 and who have a balance of \$500,000+ can contribute more than \$25,000 to their super fund concessional (meaning, before tax).

For more information, visit www.btsuperforlife.com.au or phone 1300 653 553

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About BT Super for Life

- In a first for an Australian bank, BT Super for Life lets you view and manage your super online with your other Westpac bank accounts.
- BT Super for Life is 45% cheaper than a typical retail fund, with no fees for switching investment options, contributing to or withdrawing from your super.
- BT Super for Life offers two investment alternatives - let BT manage the mix for you with a Lifestage Fund (based on your age) or you can specify the investment mix yourself
- If your super is in different funds, we will help you consolidate those funds with our convenient and quick online rollover service

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