



# Frequently asked questions about BT Lifetime – Personal Super

## Information current as at: 14 December 2011

To be read in conjunction with the BT Lifetime – Personal Super Product Disclosure Statement (PDS) and Additional Information Booklet, which can be obtained from our website [bt.com.au](http://bt.com.au) or call us on 132 135 to obtain a copy free of charge.

The information in this document is factual only. It does not constitute financial product advice. Before acting on this information you should seek independent financial and taxation advice to determine its appropriateness to your objectives, financial situation and needs.

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# Contributions

## 1 When can money be added to my super?

When money can be contributed to your super depends on your age and the type of contribution that you, your employer or spouse wishes to make on your behalf. The following table summarises when contributions can be made to your super:

Your situation	Employer contribution			Other contribution types		Rollovers
	Super Guarantee (SG)	Award	Salary sacrifice and voluntary	Personal <sup>1</sup>	Spouse	
You are under age 65	✓	✓	✓	✓	✓	✓
You are aged between 65 and 69 inclusive and are:						
1. gainfully employed <sup>2</sup>	✓	✓	✓	✓	✓	✓
2. NOT gainfully employed <sup>2</sup>	✓	✓	X	X	X	✓
You are aged between 70 and 74 inclusive and are:						
1. gainfully employed <sup>2</sup>	X	✓	✓	✓	X	✓
2. NOT gainfully employed <sup>2</sup>	X	✓	X	X	X	✓
You are aged 75 or older	X	✓	X	X	X	✓

## 2 Contribution caps

### What are the limits that apply to super contributions?

Contributions that exceed your contributions caps (shown in the two tables below) may have additional tax applied to them.

#### Concessional contributions cap

Age on the last day of the financial year	Annual cap
Less than 50	\$25,000 for 2011/12, indexed to AWOTE <sup>3</sup> rounded down to the nearest \$5,000 in subsequent years
50 or over	\$50,000 until 1 July 2012, when the cap is due to revert to the above cap <sup>4</sup>

**Which contributions count towards my concessional contribution cap?**

Contributions assessed against your concessional contributions cap include:

- Employer contributions including SG, Award, voluntary, and salary sacrifice contributions
- Personal tax deductible contribution (i.e. contributions for which a personal tax deduction is claimed)
- Taxable component amounts of directed termination payments in excess of \$1,000,000.

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<sup>1</sup>If eligible, you may be able to claim a tax deduction for your personal contributions. You must complete a Personal Tax Deduction Notice form (available at [bt.com.au](http://bt.com.au) or by calling us) and have received an acknowledgement from us, before claiming personal contributions as a tax deduction in your tax return. Please refer

to the Additional Information Booklet for further information.  
<sup>2</sup>Gainfully employed means employed or self-employed (for gain or reward) for at least 40 hours in a period of not more than 30 consecutive days in the financial year in which the contribution is made.

<sup>3</sup>'AWOTE' is the measure of average weekly ordinary time earnings published by the Australian Bureau of Statistics.

<sup>4</sup>The Government has announced changes which, if enacted, would permanently set this cap at \$25,000 above the general concessional cap, for some individuals. Information on current caps is available on [www.ato.gov.au](http://www.ato.gov.au)

**Non-concessional contributions cap**

Age on the last day of the financial year	Annual cap	Fund cap 2011/12
Less than 65	\$150,000 annually or you can bring forward up to two years' worth of non-concessional contributions to contribute up to \$450,000 over a three year period	\$450,000
Aged from 65 to 74	\$150,000 for 2011/12 and six times the concessional contributions cap in subsequent years	\$150,000
75 or over	\$0 – contributions assessed against the non-concessional cap cannot be made	Not applicable

**Which contributions count towards my non-concessional contribution cap?**

Contributions assessed against your non-concessional contributions cap include:

- Personal contributions for which you are not claiming a tax deduction
- Contributions made by your spouse into your account)
- Contributions made with proceeds from the sale of small business assets that are in excess of the CGT cap.

**Capital Gains Tax (CGT) cap**

A contribution made from certain amounts arising from the disposal of qualifying small business assets may count against the CGT cap, provided it is a personal contribution for which no tax deduction is claimed and an ATO election form is provided at the time the contribution is made. The CGT cap is a lifetime limit of \$1,205,000 (for 2011/12, indexed to AWOTE<sup>1</sup> rounded down to the nearest \$5,000 in following years). The rules about which amounts will qualify for contribution under the CGT cap are complex. You should consult a qualified professional adviser to determine whether your contributions qualify for the CGT cap.

**Monitoring contributions cap amounts**

It is your responsibility to make sure that you don't exceed the caps detailed in this section, as we cannot monitor your overall contributions cap position. BT Lifetime – Personal Super does not do this for you. BT Lifetime – Personal Super is generally unable, however, to accept a single amount paid by you (for which you will not claim a tax deduction) which is in excess of \$450,000 (or \$150,000 if you are 65 or over on 1 July in the year in which you added the money). The amount in excess of \$450,000 (or \$150,000) will be returned to you.

<sup>1</sup>'AWOTE' is the measure of average weekly ordinary time earnings published by the Australian Bureau of Statistics.



# Withdrawals

## 3

### Eligibility rules for accessing super

#### What are the preservation rules and when can I access my superannuation?

Superannuation is designed so that you cannot access it until you retire or meet another condition of release. In return for tax concessions, the Government has placed restrictions on when you can access your superannuation benefits. These restrictions are known as the preservation rules.

Your super benefit may consist of up to three 'preservation' components:

- **Preserved.** You can generally access these benefits once you have met a condition of release (see 'conditions of release' below).
- **Restricted non-preserved.** Certain benefits arising from contributions made by your employer can be accessed when you leave that employer.
- **Unrestricted non-preserved.** You can access these amounts at any time.

Your annual statement will show what type of preservation components your super benefit contains as at 30 June.

## 4

### Conditions of release

Access to your superannuation is possible when you have met one of the following conditions of release:

#### You turn 65

Your super benefit can be paid to you once you reach age 65.

#### You retired from work and reached your preservation age<sup>1</sup>

Your preservation age, determined by the Government, is 60; unless you were born in 1964 or earlier, as outlined in the table below:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961– 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

<sup>1</sup>From 1 April 2009 these conditions of release are not available to current or former holders of temporary visas, unless they are permanent residents of Australia, or citizens of Australia or New Zealand. In addition, under certain circumstances super funds may be required to transfer a temporary resident's super to the Australian

Taxation Office (ATO) following their departure from Australia. This may occur when at least six months have passed since the temporary resident's visa had ceased to be in effect, they have left Australia and not taken their benefit. If this occurs, the temporary resident may access their benefit from the ATO who can be

contacted on 13 10 20. Additional tax may be payable upon accessing the benefit if you are a temporary resident.

If you have reached your preservation age and you are younger than 60, you will be classified as retired if you do not intend to become gainfully employed again for ten hours or more per week. After turning 60, if you leave an employment arrangement, you will be able to access your superannuation benefits, even if you decide to go back to work.

If you have reached your preservation age but are still working, you can transfer your super savings into a non-commutable pension (also known as a transition to retirement pension) and start receiving an income stream. You will not be able to take any cash lump sum payments until you meet a condition of release from superannuation. For more information about transition to retirement pensions that are offered by BT, call us on 132 135.

### **You are experiencing financial hardship<sup>1</sup>**

If you are having difficulty meeting reasonable and immediate family living expenses and are receiving Commonwealth income support payments you may qualify for the early release of your superannuation. To find out all the requirements and apply to have your superannuation released you will need to read the Application for Early Release of Super form, available at [bt.com.au](http://bt.com.au).

### **Compassionate grounds<sup>1</sup>**

You can apply through the Australian Prudential Regulatory Authority (APRA) for the early release of your superannuation on compassionate grounds. This may be considered to cover expenses related to a serious medical condition or to prevent the forced sale of your home by your mortgagee. To find out more information and to apply for the early release of your superannuation you will need to read the Application for Early Release of Super form, available at [bt.com.au](http://bt.com.au).

### **Permanent incapacity<sup>1</sup>**

Permanent incapacity means ill-health (whether physical or mental) making you unable to engage in gainful employment for which you are reasonably qualified by education, training or experience. If you think this may apply to you then early release of your superannuation may be allowed. To find out what evidence you will need and to apply for the early release of your superannuation you will need to read the Application for Early Release of Super form, available at [bt.com.au](http://bt.com.au).

### **If you die**

Your beneficiaries may access your benefits if you die.

### **Departing Australia Superannuation Payment (DASP)**

To qualify, you need to have worked in Australia while visiting on an eligible temporary resident visa. You can have your superannuation paid to you once you leave Australia and your temporary resident visa has expired or been cancelled.

More information and eligibility criteria are available from the Australian Taxation Office website: [www.ato.gov.au](http://www.ato.gov.au). Refer also to 'temporary residents' on page 7.

<sup>1</sup>From 1 April 2009 these conditions of release are not available to current or former holders of temporary visas, unless they are permanent residents of Australia, or citizens of Australia or New Zealand. In addition, under certain circumstances super funds may be required to transfer a temporary resident's super to the Australian

Taxation Office (ATO) following their departure from Australia. This may occur when at least six months have passed since the temporary resident's visa had ceased to be in effect, they have left Australia and not taken their benefit. If this occurs, the temporary resident may access their benefit from the ATO who can be

contacted on 13 10 20. Additional tax may be payable upon accessing the benefit if you are a temporary resident.

# → Taxation of super

## **5** Updated information

As at the date of this document, the information contained in the Additional Information Booklet is current and up to date. The information and rates in the Additional Information Booklet can change from time to time. If this happens, we will provide further information here. Alternatively you can look at the following websites for current information:

- [www.ato.gov.au](http://www.ato.gov.au)
- [www.moneysmart.gov.au](http://www.moneysmart.gov.au)

# → Other information about super

## 6 Temporary residents

### What extra information do I need if I am a temporary resident of Australia?

A temporary resident is a holder of a temporary visa under the Migration Act 1958.

From 1 April 2009, if you are or were a temporary resident and are not an Australian citizen, New Zealand citizen or permanent resident or a holder of a retirement visa (Subclass 405 or 410), you can generally only access your preserved superannuation benefits in the following circumstances:

- if you become permanently incapacitated, or
- if you have a terminal medical condition, or
- if you have departed Australia permanently and your visa has ceased, or
- your beneficiaries may access your benefits if you die, or
- where you have added money to super above the caps set by the government.

You may also be able to access your benefit if you satisfied another condition of release under superannuation law before 1 April 2009.

After you leave Australia, you can claim your superannuation from BT Lifetime – Personal Super under the Departing Australia Superannuation Payment (DASP) regime.

For requests made after 1 April 2009, the withholding tax applicable on DASPs is as follows:

Component	Rate of tax
Tax-free	0%
Taxable (taxed element)	35%
Taxable (untaxed element)	45%

Full information regarding DASP procedures can be found at [www.ato.gov.au](http://www.ato.gov.au)

### We may be required to send temporary residents' superannuation to the ATO

The Australian Government requires BT Lifetime – Personal Super to pay temporary residents' superannuation to the Australian Tax Office (ATO) after at least 6 months have passed since the later of:

- the date a temporary resident's visa ceased to be in effect; and
- the date a temporary resident permanently left Australia.

The ATO will identify and inform BT Lifetime – Personal Super of the impacted members twice each year.

Once your benefit has been transferred to the ATO you will need to claim it directly from the ATO ([www.ato.gov.au](http://www.ato.gov.au)).