

How super works

FactSheet

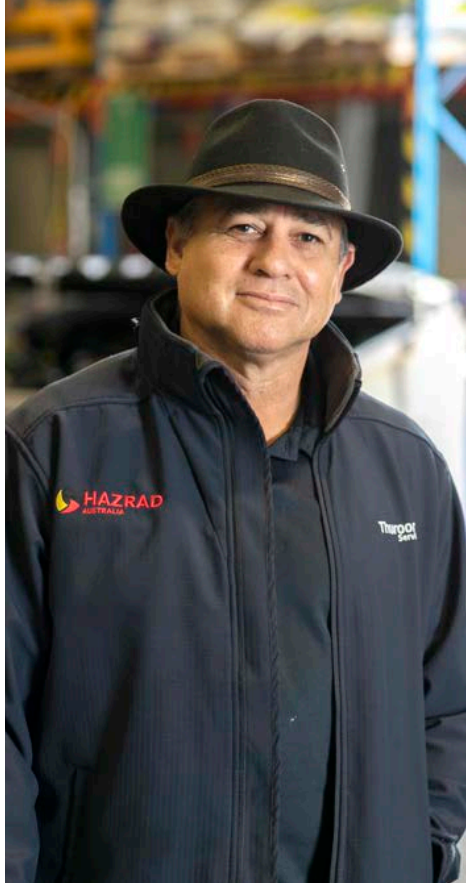
28 September 2024

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.

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

- *Cbus Industry Super Product Disclosure Statement issued 28 September 2024*
- *Cbus Sole Trader Super Product Disclosure Statement issued 28 September 2024*
- *Cbus Personal Super Product Disclosure Statement issued 28 September 2024*
- *Cbus Corporate Super Product Disclosure Statement issued 28 September 2024*

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 11.5% 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.

Other types of contributions	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 \$60,400. The co-contribution reduces for each dollar of total income over \$45,400 and cuts out at \$60,400. 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. See our <i>Boost your super</i> fact sheet at cbussuper.com.au/forms 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 make a downsizer contribution into super of up to \$300,000 from the proceeds of selling your home (\$600,000 combined for couples). See our <i>Downsizer contribution</i> fact sheet at cbussuper.com.au/forms for more information. To make a downsizer contribution complete the ATO form and send it to us, along with the contribution within 90 days of settlement. Visit ato.gov.au/super to download the form.	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.

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How much can you contribute?

The Government limits (caps) how much you can contribute to super each year. 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
<p>\$30,000 a year for the 2024/25 financial year.</p> <p>If your total super balance was less than \$500,000 on 30 June 2024, then you can contribute more than \$30,000 by carrying forward unused amounts in your before-tax caps from the prior five financial years. Find more information on the carry-forward of unused before-tax contribution caps at ato.gov.au. You can see how much you may be able to carry-forward by logging into your ATO account.</p>	<p>\$120,000 for the 2024/25 financial year, provided your total super balance was less than \$1.9 million on 30 June 2024.</p> <p>You may be able to contribute up to \$360,000 by bringing forward up to three years' worth of after-tax contributions caps.</p>

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 they count towards 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 aged 67 to 74* 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 *Making Extra Contributions* and *How super is taxed* fact sheets, both available from cbussuper.com.au/forms.

* Including the period up to 28 days after the month in which you reach age 75.



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 may have in retirement.

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 age 75 or older, 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 eligibility to:

- carry forward unused amounts in your before-tax (concessional) contributions cap
- bring forward future after-tax (non-concessional) contribution caps
- receive the Government co-contribution
- receive the tax offset for spouse contributions.

Once your total super balance reaches \$1.66 million[‡] restrictions will apply, including that you won't be able to contribute a full \$360,000 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 2024/25 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.

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 (which is 60 for anyone born after 1 July 1964) or you reach age 65.

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.

Prepare to retire

As you start to think about finishing work, once you turn 60 you could consider the Transition to Retirement option of our Cbus Super Income Stream. A Transition to Retirement account allows 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.

Once you turn 65 or stop working

If you cease an employment arrangement after turning 60, or if you turn 65, you can 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 whilst keeping your money invested. Visit cbussuper.com.au/sis for details.

Early release of your super

You may be able to access your super early, 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 age 60 plus 39 weeks, 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

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.

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

- older than age 60 plus 39 weeks, and you:
 - have been on an eligible Commonwealth Government income support payment for a cumulative period of 39 weeks after you reached age 60
 - 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 treatment for you or your dependent
- medical transport for you or your dependent
- modifying your home or vehicle to accommodate special needs arising from your or your dependent's severe disability
- death, funeral or burial expenses for your dependent
- palliative care for your or your dependent's terminal illness
- preventing foreclosure or forced sale of your home

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 and don't hold an active visa
- 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 read more in our *How to claim your super once you've left Australia* fact sheet at cbussuper.com.au/forms, or contact us on **1300 361 784** (within Australia) or on **+61 2 8571 6550** (from overseas).

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.

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 Super* 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 no amount has been credited to your account within the last 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 available at cbussuper.com.au/forms.

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.

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:
 - 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 benefit 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 benefit 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 team offers a range of financial advice options 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 6pm AEST/AEDT Monday to Friday.

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 the information you need about super.



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