

Welcome to this edition of *Super News* which outlines the key benefits for members and provides updates about the Oracle Superannuation Plan. You can also follow our steps for checking how your super contributions compare to the annual limits, to avoid paying extra tax.



New look, same package of benefits

We have a brand new look for our communications but the Plan still offers members the same great range of benefits, including some generous insurance arrangements for eligible Employee members.

Key benefits include:

- While you're still working for Oracle, you will pay **no ongoing administration fees** and eligible members also receive **free standard insurance cover** through the Plan. Oracle covers the cost of the standard insured benefits for eligible members. (Terms and conditions apply.)
- Employee members can **open an account for their Spouse**, who also pays no administration fees. This allows you to save for retirement together.
- You can choose from **five investment options or create your own investment mix** from the available options.
- **Members' interests are represented** in the way the Plan is managed, through the Policy Committee. Half of the Committee is made up of your fellow Oracle employees or former employees who are elected by members.
- Even after you've left Oracle, you have the option to **keep your super in the Plan**. You can keep your super invested in the same way if you wish.

COVID-19 and your super

As well as being a major health concern, uncertainty around the COVID-19 outbreak has also led to steep falls in share markets around the world. While these falls will mean negative returns in the short term for most members, keep in mind that for most people your super is a long term investment.

Importantly, remember the following:

- The Trustee has strategies in place to achieve specific performance goals for each of the Plan's investment options over the long-term. Most of the Plan's options are diversified, investing in a range of different asset types including shares.
- While subject to large price fluctuations in the short term, shares have generally earned the highest return of all asset types over the long term.
- Even if you are close to retirement, you will still need to keep investing your money to provide for your years in retirement.

The Trustee continues to closely monitor developments.





Investment updates

Manager changes complete

Late last year, the Trustee finished reviewing the Plan's Australian and International share investments and announced some changes to the Plan's investment managers. The changes took into account the expected investment outlook, as well as the Trustee's views of each manager's ability to add value for members in the medium to long term.

The Trustee is pleased to confirm that the transitions went smoothly and were completed by the end of 2019 as planned.

Changes to bond investments

One of the Plan's Australian fixed interest funds, the "Blackrock iShares Australian Government Inflation-Linked Bond Index Fund" closed in mid-March. The proceeds will be temporarily held in an Australian Cash Trust until a wider review of the Plan's fixed income and cash portfolios is completed in the next few months. This temporary arrangement will minimise potential transaction costs and is not expected to materially impact on investment outcomes.

Check your contributions to avoid paying extra tax

As an Employee member you can add to your super in the Plan, either from before-tax salary (i.e. via salary sacrifice) or after-tax salary to boost your retirement savings. If you are a Retained Benefit member, you can only make after-tax contributions to the Plan, and only within 30 days of leaving Oracle. You should check how your contributions compare to the annual limits, to avoid having to pay extra tax.

What are the limits for 2019/20?

The **concessional contributions** limit is generally \$25,000, which includes:

- the super contributions that Oracle makes for you;
- any voluntary salary sacrifice super contributions you make; and
- amounts that Oracle pays to cover the administration and insurance costs for Employee members.

A higher limit may apply if, in the previous tax year (to 30 June 2019) you did not use all of your concessional limit and your total superannuation balance at 30 June 2019 was under \$500,000#.

Note that a separate limit of \$100,000 applies to **non-concessional contributions**. In some cases, you may be able to make contributions of up to \$300,000 over three years in one lump sum or a combination of amounts#.

Further details are in the *How Super is Taxed* section in the *Additional Information* factsheet, which is available under 'Forms and Publications' at <https://super.towerswatson.com/super/oracle>.

How close am I to the concessional contributions limit?

To check how your concessional contributions are tracking against the limit for the year to 30 June 2020:

1. Log into the Member Centre at <https://super.towerswatson.com/super/oracle>.
2. Under 'Transaction History', use the 'Transaction Type' box to find the amount of your contributions for each type of concessional contribution, and total them.

Employee members need to add the cost of insurance and administration that Oracle pays for you. For the 2019/20 year this is expected to be approximately 0.7% of your salary for insurance and \$510 for administration costs.

3. Add your concessional contributions to any other super funds you belong to. This is because the limit applies to the total concessional contributions to all your funds. You do not have a separate limit for each fund.

Have you made after-tax contributions?

If you are an Employee member, you can make personal after-tax contributions to the Plan and choose to claim a tax deduction for them in your personal tax return. These contributions will then be treated as concessional contributions. If you are a Retained Benefit member, you can make after-tax contributions to the Plan within 30 days of leaving Oracle and can claim a tax deduction for them. Remember that restrictions apply to making personal contributions once you reach age 65.

If you have made after-tax contributions in 2019/20 and wish to claim a tax deduction, you need to complete and submit a *Notice of intent to claim or vary a deduction for personal super contributions form* to the Trustee by 15 July 2020. The form is available at the website under 'Forms and Publications'.

Before you submit your claim, you should check that claiming the deduction does not cause your contributions to exceed the concessional contributions cap. If you need help regarding your own situation you should speak to a licensed financial advisor.



Any questions?

If you have any questions about the information in this newsletter or about the Plan in general, please contact the **Plan Administrator** on **1800 127 953** (+61 2 8571 6288 if calling from overseas) or visit the Plan's website at <https://super.towerswatson.com/super/oracle>.

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Issued by Towers Watson Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049), as Trustee for the Oracle Superannuation Plan (ABN 17 608 890 083). March 2020.