DBPA
DESERET BENEFIT PLAN FOR AUSTRALIA

Super News

February 2017

This edition of *Super News* updates you on the latest news about super and your Plan. In this issue, we let you know about:

- The main changes from the Government's superannuation reform which applies from 1 July 2017;
- A fee change for the Plan's Cash investment option; and
- How to have a say in the way your Plan is managed.

New super rules from 1 July 2017

After some revisions, the Federal Government's superannuation reform package was legislated late last year. Many of the reforms, which were first announced in the 2016 Budget, are aimed mainly at higher income earners.

Here is a brief overview of some of the main changes from 1 July 2017:

Lower limits on contributions

The Government has reduced the amount of contributions each year that can receive special tax treatment. If you go over these limits, higher tax applies.

Pre-tax contributions

Concessional contributions to super such as pre-tax, employer and notional contributions (for defined benefit members) made after 1 July 2017 will be limited to $25,000 per year regardless of age. Older members will no longer have access to a higher limit.

Members who want to boost their super now can take advantage of the higher limits that apply up to 30 June 2017: $30,000 if you are under age 50 and $35,000 if 50 or older at 30 June 2017.

After-tax contributions

The amount of non-concessional contributions (generally after-tax contributions) to super is also limited each year. This limit will be reduced from $180,000 to $100,000 per year from 1 July 2017.

Members under age 65 can currently bring forward up to two future years of limits. This accommodates members who want to make larger contributions such as from the sale of an investment property or an inheritance. This arrangement will continue but with lower limits and some extra conditions. Contact the Plan Helpline on **1800 115 885** if you are thinking of doing this, as complex transitional rules also apply.

Account-Based Pensions restricted

Investment earnings in pension investments are currently not taxed. From 1 July 2017 two new restrictions will apply:

- A new ceiling of $1.6 million will be put on the amount you can have in total in pension accounts from 1 July 2017. From then, if your total pension account balances are larger, the excess needs to be moved back into a super account or withdrawn in cash. Different rules may apply to certain defined benefit pensions.
- From 1 July 2017, investment earnings in a transition to retirement pension account will be taxed. A transition to retirement pension allows you to phase into retirement after your preservation age by accessing some of your super as a pension while you are still working. The change may reduce the tax advantages of this type of pension account.

Rules on tax rebate for spouse contributions relaxed

Changes from 1 July 2017 mean that more people will be eligible to claim a tax rebate on after-tax contributions they make to their spouse's super fund.

- Currently, the maximum $540 rebate is available if you contribute $3,000 for a spouse whose income is under $10,800. The rebate reduces gradually and is not payable once your spouse earns $13,800 or more.
- From 1 July 2017, while the rebate amount is unchanged, the amount your spouse can earn and still be eligible for the rebate is increasing. The full amount will be payable if your spouse earns $37,000 or less and will cut out if they earn $40,000 or more.

Fee changes for the Cash option

The Plan offers members a choice of investment options for their accumulation accounts. This can be through your VSP Accounts (such as your Member Account, Salary Sacrifice Account, Rollover Account and Employer Additional Account), Retained Benefit Account or Pension Account.

For members invested in the Cash option, an investment fee of 0.25% ($2.50 per $1,000) will be introduced from 1 April 2017. There is no change to the current investment fees for the other options (Enhanced Yield, Market Linked and High Growth). The investment fee is deducted from the investment return for each option before it is applied to your account. The investment fee that applies to your account depends on your chosen investment option(s).

Have a say in how your Plan is managed

If you would like to be involved in how the Plan is managed, why not ask someone to nominate you for the position of Member Trustee? Alternatively, consider nominating a fellow Plan member.

Nominations are due **by 5pm on 7 March 2017**. You were sent a *Nomination Form* in the mail, and extra copies are available from the Returning Officer by calling (02) 9253 3124 or by emailing matthew.oates@willistowerswatson.com.

More information

To learn more about your benefits in the Plan, refer to the *About your super plan* Member Booklet or the PDS for Account Based Pension members (this is currently being updated and will be available in April 2017). Copies can be downloaded from the Plan website or can be obtained by calling the Plan Helpline on **1800 115 885**.

You can also contact:

The Plan Administrator
Deseret Benefit Plan for Australia
PO Box 1442
Parramatta NSW 2124

Plan Helpline:	**1800 115 885**
Email:	**deseret.australia@towerswatson.com**
Website:	**http://mysuper.towerswatson.com/deseret**

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