



2013 is the year to take control of your super!

Super is money for your future. If you look after your super now you'll have more money to do the things you want when you retire. Ignore it and you could be missing out.

1 Do you have a different super account for every job you've had?

Having many different super accounts could mean you're paying more than one set of fees. Think about closing any you don't need and rolling the money into MTAA Super. We can assist you with this, particularly in highlighting things you should consider when consolidating accounts – like any exit fees you might be hit with or insurance cover you may lose.

2 Are you thinking of changing jobs?

When you change jobs, think about keeping your MTAA Super account. You can usually ask your new employer to use your existing MTAA Super account. For more information visit www.mtaasuper.com.au/choice

3 Do we have your tax file number (TFN)?

If we don't have your TFN, you'll pay extra tax on your super and you can't make personal contributions. You might also miss out on the government super co-contribution.

4 Do you have lost super?

There is over \$18 billion of lost super in Australia waiting to be found. Some of this money may belong to you. If you think you might have lost super and would like assistance in locating it please call us on **1300 362 415**.

CEO Update

'Change is the only constant' according to an ancient Greek proverb, and many would agree this is true of superannuation right now. There is definitely a lot happening in super in 2013.

From 1 July, the compulsory super rate your employer pays into your super account will increase from 9% to 9.25% (this will gradually rise to a maximum of 12% in 2019). This means more money invested into your super account to grow over time.

If you earn less than \$37,000 you'll be eligible to get back the 15% tax on the compulsory super your employer pays on your behalf. This means you could get up to \$500 extra paid back into your super account at the end of the financial year.

The changes are aimed at ensuring the super system continues to help all of us save money for our retirement. There are many more changes proposed and on our radar for 2014 – we will continue to keep you informed.

From our perspective, we are working hard to maximise your investment dollars and improve our services.

For the last 2 years we've been working with our insurer, MetLife Australia to address our retiring members' fears of outliving their super savings. People are living longer and require better security and certainty with their pension income. In February we launched 'MTAA Super RetireSafe' – a new pension product that we believe addresses many of these issues. More information on this new product can be found on *page 3*.

You might be aware that each year with our annual statements we run a competition to encourage members to make a contribution into their super account or consolidate their accounts by rolling in super from another Fund. It's all about encouraging our members to take control of their super. I'd like to congratulate the lucky winner, Jean Imbert of Tasmania and encourage all members to make 2013 the year they take control of their super.

Leeanne Turner



What's happening to super?

There are some important improvements happening within super to make it easier for you to save for your future –

01 Over the next few years the super guarantee rate will gradually increase from 9% to 12% of what you earn.

– The first increase to the super guarantee rate happens from 1 July 2013. After that, there will be an increase each year until 2019.

02 From 1 July 2012, if you earn \$37,000 or less per year and your employer pays compulsory super for you, the government will put up to \$500 extra in your super fund account each year.

This is called the Low Income Superannuation Contribution and represents a refund of the 15% tax paid on compulsory super contributions.

– If you're eligible for this boost, you won't need to do anything – it will automatically appear in your MTAA Super account after July 2013.

03 From 1 July 2013 the upper age limit for compulsory super is being removed – this means no matter how old you are, if you are working, you can still grow your super.

Nearing retirement?

Come along to a free seminar

MTAA Super conducts education seminars free of charge across Australia aimed at helping you plan for the retirement you want. Visit mtaasuper.com.au for details.



Super lump sum or pension when I retire?

The impact of taking either a lump sum or pension from your superannuation account when you retire depends on your individual situation. The decision you make can affect the amount of tax you pay and also your entitlement to a government-funded Age Pension.

Centrelink can provide information about how Age Pension entitlements are affected by the way in which you access your superannuation benefits.

MTAA Super Transition to Retirement

Designed for working Australians aged 55-65 who would like to access part of their super while preparing for life after work.

Wouldn't it be nice to reduce your working hours without reducing your income? Why not consider topping up your part time income with a regular income stream from your super savings.

If you are aged between 55-65 but have not retired, you may be able to convert some of your super savings into a pension to supplement your working income. This may be an option if you want to work reduced hours, or have other lifestyle considerations. You can even continue to work full time and commence a pension whilst contributing more to your super via salary sacrifice. This opens up a good opportunity to build retirement savings by making use of the generous tax concessions which apply to super pensions on one hand, and to super contributions on the other (as long as you stay within the contributions limits imposed by the government).

MTAA Super Pension

Designed for members that are ready to retire, are eligible to withdraw money from their super and want to take advantage of the tax concessions that come with this.

When you retire, you can use your super savings to provide a regular income. To do this, in a tax effective environment, you can start a pension using your super (called an 'account-based pension'). You can choose the amount of income you want and when you get paid. An MTAA Super pension can offer significant tax advantages.

A pension is not currently subject to tax on investment earnings in the Fund regardless of age and gives you concessional tax treatment on annual pension payments if you are under 60 and tax-free pension payments if you are 60 or over. In addition, withdrawals from your pension account do not incur lump-sum tax if you're over age 60.

An MTAA Super Account Based Pension:

- offers flexible payments (above the minimum level)
- currently enjoys tax free investment earnings
- provides tax free payments after age 60
- is concessionally treated by social security (income test)
- allows lump sum withdrawals
- has a choice of investment options



ACTION: We recommend you seek financial advice on how to structure your pension arrangements, taking your personal circumstances into account. Call **1300 362 415** to contact an Industry Fund Financial Planner (IFFP) who understands MTAA Super. You may also wish to talk to our Financial Education and Advice Team.

NEW PRODUCT - Introducing MTAA Super RetireSafe



Designed so members may enjoy their retirement years without worrying about whether they will outlive their super savings.

MTAA Super RetireSafe, developed in conjunction with MetLife Australia, is a guaranteed income for life product, providing protection against market and longevity risk, and is payable as a pension. MetLife Australia provides the guarantee.

A key benefit of MTAA Super RetireSafe is the fact that your monthly pension payments continue to be paid even when your Account Balance reduces to nil, although the annual amount of the pension can go up or down. Further, MTAA Super RetireSafe offers members the potential for growth when markets are strong, protection against negative investment performance, access to capital and a death benefit.

MTAA Super RetireSafe

- ✓ Guarantees an income for life¹
- ✓ Can grow when markets are strong
- ✓ Offers protection against negative investment performance
- ✓ Allows you to retain access to your capital²
- ✓ Provides a death benefit³

1. The amount of your pension is not guaranteed and may go up and down.
2. Excess lump sum withdrawals will affect the guarantee base and therefore the amount of your pension.
3. If there is no reversionary beneficiary.

Change in fees

As an industry fund, we know it's important to keep to the principle of low fees and we know the fees you pay can greatly affect your final retirement payout. This year we're moving away from a flat administration of \$1.95 a week to a new administration fee of \$1.60 a week plus a 0.15% per annum asset based fee.

With this new structure, we believe we can keep our fees competitive - staying true to the industry fund model. We are also removing other activity based fees and we're capping the administration fee at \$533 per annum.* This is our way of further ensuring we keep to the principle of low fees.

*The Trustee intends to cap asset-based administration fees to the extent that it is permitted by law to do so. The legislation that will permit the Trustee to cap administration fees in a MySuper product is before Parliament, but has not yet been passed. The Trustee intends to apply for an authorisation to offer a MySuper product and, if authorised, to introduce its MySuper product later this year. In the unlikely event that the legislation has not been passed by the time the Trustee introduces its MySuper product, the fee cap will only be able to apply to MySuper members once the legislation is passed.

Change to our Investment Management Costs

The investment management costs for the Fund's investment options are calculated annually in arrears at 30 June. They have been updated to reflect the year ending 30 June 2012 and are based on the annual fund accounts.

Investment Options	Estimated Investment management costs - 2011	Estimated Investment management costs - 2012	Difference
Conservative	0.42	0.42	0.00
Balanced	0.70	0.68	-0.02
Growth	0.84	0.80	-0.04
Cash	0.11	0.11	0.00
Australian Shares	0.12	0.28	+0.16
International Shares	0.67	0.60	-0.07
Diversified Fixed Interest	0.16	0.17	+0.01
Target Return	1.05	1.03	-0.02

Changes to performance fees

MTAA super pays performance fees to some investment managers when their performance exceeds agreed targets. These fees are included in the estimated investment management costs (shown in the previous table).

Investment Option	Estimated Performance fees per investment option 2011	Estimated Performance fees per investment option 2012	Difference
Conservative	0.04%	0.04%	0.00%
Balanced	0.06%	0.08%	0.02%
Growth	0.07%	0.08%	0.01%
Cash	0.00%	0.00%	0.00%
Australian Shares	0.02%	0.13%	0.11%
International Shares	0.23%	0.18%	-0.05%
Diversified Fixed Interest	0.00%	0.00%	0.00%
Target Return	0.06%	0.04%	-0.02%

Have you thought about insurance cover?

MTAA Super offers a range of insurance options to protect you and your family from financial hardship if you are unable to work for a long period due to sickness or injury, or become permanently disabled or die.

As a member you have a certain level of cover granted to you automatically – but is this enough?

We've made it easy to upgrade your cover to a level that is more appropriate when your circumstances change – when you take on more responsibility (like a mortgage), get married, or have children.

You can apply to increase your cover at any time. Look for our new online insurance forms at mtaasuper.com.au

Some conditions apply, so see the *MTAA Super Product Disclosure Statement* and *MTAA Super Insurance Guide* for details.

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