How super works guide

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The information in this guide forms part of the *Member PDS* for CareSuper dated 1 November 2024.

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A paper or electronic copy of this guide, or any of the other important information that forms part of our *Member PDS*, is available free of charge on request by calling us on **1800 005 166**.

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How your CareSuper account works

What's super

Super is a way of saving for your retirement which is, in part, compulsory.

Under super laws, employers must contribute a percentage of your salary into a super fund. Your super fund then invests this money in assets like shares, bonds, property and infrastructure to help it grow.

You can also give your super a boost by making extra contributions to your account, such as through salary sacrifice or personal contributions.

Generally, you can't access your super until you reach 60 years of age and decide to retire permanently.

Once you're eligible, you can access your super as a lump sum, regular income (also called a pension), or a combination of both – whatever suits your lifestyle.

Your super balance

Super is a long-term investment, designed to grow over your working life.

While your balance may go up and down in the short term as money goes in and out of your account, the goal is steady growth over time.

Money that goes into your account includes[1]:

- contributions paid by you, your employer, your spouse or the government
- transfers from other super funds
- investment gains.

Money that comes out of your account includes:

- taxes, fees and costs including insurance fees, if applicable
- investment losses
- withdrawals you make
- transfers to other super funds.

1 If you have insurance in place and you're terminally ill, pass away or become totally and permanently disabled, then an additional amount may be paid into your account.

Contributing to super

Who can contribute to super?

There are many types of super contributions you can make to help your super grow. The type of contribution you can make will depend on your age and total super balance.

Contribution type by age

Your age	Contribution types accepted
Under 55	All contribution types accepted, except downsizer contributions.
55-74	All contribution types accepted.
75 or older	Only compulsory employer contributions and downsizer contributions accepted.

You must provide us with your tax file number (TFN) to make personal contributions and for us to receive spouse contributions for you.

If you're turning 75, any contributions you make, other than compulsory employer and downsizer contributions, must be received by us no later than 28 days after the end of the month that you turn 75.

Total super balance

Your 'total super balance' (across all super funds you participate in) impacts your eligibility to make some types of super contributions or to make contributions without incurring extra tax. It's generally worked out by adding together:

- the value of all your super accounts in the accumulation phase
- the value of all your super accounts in the retirement phase (i.e. that are paying you an income stream)
- amounts being transferred between super funds on 30 June.

Any personal injury or structured settlement contributions that have been paid into your super funds should be deducted from your total super balance.

For more details on how these are calculated, refer to the Australian Taxation Office (ATO) on 13 10 20 or visit ato.gov.au.

Contribution types

Super contributions are generally either before-tax (concessional) contributions or after-tax (non-concessional) contributions. The main difference is when you can make them and how they're taxed.

For more details about tax, read *How super is taxed* starting on page 21, contact the ATO on 13 10 20 or visit ato.gov.au.

Before-tax (concessional) contributions include:

- employer contributions, including super guarantee (SG) and other additional employer contributions
- salary sacrifice contributions (which are paid by your employer from your before-tax income)
- personal contributions for which you've successfully claimed a tax deduction.

Before-tax contributions are generally subject to a tax rate of 15%. This is called a 'contributions tax.'

For more details, see *Tax on contributions* on page 22.

After-tax (non-concessional) contributions include:

- personal contributions you haven't claimed a tax deduction for
- spouse contributions.

Generally, you don't pay any tax on after-tax contributions (as you or your spouse already paid income tax on these amounts).

We must have your TFN to receive personal and spouse contributions for you, and your total super balance (across all funds you participate in) must be less than $1.9 million at 30 June 2024 for these contributions to be made in 2024-25 without paying extra tax.

There are caps on how much you can contribute to super. If you go over these caps, you may pay extra tax. These are detailed in *Contribution caps* on page 9.

Employer contributions (compulsory)

You're eligible for SG contributions if you're over 18 and a full time, part time or casual employee. If you're aged under 18, you must work for more than 30 hours per week to qualify.

If you're eligible for SG, your employer must pay a percentage of your earnings to a complying super fund on your behalf at least quarterly.

The current minimum SG rate is 11.5% until 30 June 2025, before increasing to 12% on 1 July 2025.

In addition to SG contributions, your employer may be required to pay contributions under an award, industrial agreement, or employment contract.

There's a limit on the income that your employer must pay SG contributions on. This is called the maximum contribution base. For 2024-25 it's $65,070 a quarter. If your ordinary time earnings are higher than $65,070 in a quarter, your employer doesn't have to pay SG contributions for earnings above this limit (unless required under an award or agreement).

Most people can choose which super fund to join, though sometimes your fund is determined by the terms of your employment.

When you start a new job, you can tell your employer which fund you want your super paid into. If you don't tell them, they'll check with the ATO to see if you already have a super account which your employer's contributions must be paid into (referred to as your 'stapled fund'). If you do, they'll pay your super into that account. If you don't have an existing super account, the employer will open a new one for you with their nominated MySuper authorised default super fund. You'll stay with your stapled fund for the rest of your working life unless you choose to change funds (which you can do at any time).

Salary sacrifice contributions

With salary sacrifice, you have an arrangement with your employer to pay some of your before-tax income into your super, on top of the usual SG contributions.

The two main benefits of salary sacrificing are:

1. your super grows faster with the extra super contributions
2. you may pay less tax — a salary sacrifice arrangement reduces your taxable income, meaning you may pay less tax on your income. Generally, salary sacrifice contributions are taxed at a rate of a 15% instead of your marginal income tax rate.

You should check with your employer to see if they offer salary sacrifice arrangements.

For more details, read our *Salary sacrifice and super* fact sheet.

Personal contributions

Personal contributions are voluntary payments made from your take-home pay or savings. These can be one-off payments or regular payments.

You may be eligible for a government co-contribution if you don't claim a tax deduction. Income limits and eligibility criteria apply.

The easiest way to make personal contributions to super is through BPAY®. You can find your biller code and reference number in **Member Online**, in the CareSuper app and your member statements.

Please note personal and spouse contributions have different biller codes and reference numbers, and we don't accept BPAY payments from a credit card. The maximum amount you can contribute in a single payment using BPAY is $120,000.

You can also make personal contributions via cheque. Make your cheque payable to 'CareSuper' and attach a completed *Make a super contribution* form.

® Registered to BPAY Pty Ltd ABN 69 079 137 518.

Claiming a tax deduction for personal contributions

If you make personal contributions to your account, you may be eligible to claim a tax deduction for some or all of these amounts, meaning you may pay less income tax.

Any personal contributions you successfully claim a tax deduction for will count towards your before-tax (concessional) cap. You'll also have to pay contributions tax on the amount you've claimed a deduction for – this will be deducted from your account once we accept your tax deduction claim.

You can't receive a government co-contribution for personal contributions you've claimed a tax deduction for.

If you're 67 or over but under 75, you'll need to satisfy the work test if you want to claim this tax deduction. This means you must work at least 40 hours in a consecutive 30-day period during the financial year you made the personal contributions.

You may be able to access a limited exemption to the work test if you meet all of the following:

- satisfied the work test in the financial year before the year you made the contribution
- had a total super balance (across all funds you participate in) of less than $300,000 on 30 June of the previous financial year
- haven't used this limited work test exemption previously.

For more details, including what's required to successfully claim a tax deduction, read our *Claiming tax deductions for contributions* fact sheet.

Downsizer contributions

If you're 55 or over and sell your family home, you may be able to put up to $300,000 of the sale proceeds into super. Couples can contribute up to $600,000 ($300,000 to each of their accounts). You or your spouse must have owned your home for at least ten years, and further conditions apply.

For details, read our *Thinking of downsizing your home?* fact sheet.

Spouse contributions

A spouse contribution is an after-tax contribution made into the super fund of an eligible spouse (including a de facto partner). It's a great way to help grow each other's super, particularly if one partner takes a break from work or earns much less than the other.

Plus, it can also have tax benefits. If the receiving spouse earns less than $40,000 a year, the contributing spouse may be eligible to claim a tax offset of up to $540 on some or all of the money they contribute to their partner's super.

Conditions apply. For more details, read our *Boost your spouse's super* fact sheet.

Contribution splitting

Like spouse contributions, contribution splitting allows couples to help boost each other's super.

With contribution splitting, you can transfer up to 85% of your eligible before-tax contributions into your spouse's super to boost their retirement savings (or vice versa).

Conditions apply. For details, read our *Boost your spouse's super* fact sheet.

Spouse contributions VS contribution splitting?

Spouse contributions are made from after-tax money (such as savings) into a partner's account. Contribution splitting involves moving before-tax contributions from a person's super account into their spouse's super account. Contribution splitting doesn't qualify for a tax offset.

Government contributions

Co-contributions

If your total income is less than $60,400 in the 2024-25 financial year and you make after-tax (non-concessional) contributions to super, the government may give your super a boost.

This is known as a co-contribution, and means you get more for adding a little extra to your super each year.

The amount of co-contribution you could receive depends on your income and how much you contribute to super.

For every $1 you contribute from your after-tax earnings (up to $1,000 each financial year), the government may contribute up to 50 cents. That's up to $500 extra in your super each year.

To get the maximum $500 co-contribution, your total income needs to be equal to or below $45,400 in the 2024-25 financial year.

The co-contribution amount you could receive reduces for every dollar over $45,400 and cuts out completely once your total income goes above $60,400.

Conditions apply. For more details, read our *Boosting your super with government help* fact sheet.

Low income super tax offset (LISTO)

If you earn $37,000 or less in a financial year, you could be eligible for a LISTO payment from the government.

The LISTO is a reimbursement of any contributions tax paid on your before-tax super contributions. It's equal to 15% of any before-tax (concessional) contributions paid into your super and is reimbursed to your super account. For each financial year that you're eligible for a LISTO payment, the maximum amount you can receive is $500, and the minimum is $10.

Conditions apply. For details, read our *Boosting your super with government help* fact sheet.

Re-contribution of COVID-19 early release amounts

If you withdrew money from your super under the COVID-19 early release of super program in 2020, you can re-contribute this amount back into super as a personal after-tax contribution without it counting towards your after-tax (non-concessional) cap.

To re-contribute early release payments into your super:

1. Fill out and send us a *Notice of re-contribution of COVID-19 early release amounts (NAT 75394)* form before or when you make the payment.
2. Make a personal contribution to your account.

To make sure your contribution is counted as a COVID-19 early release re-contribution, you must fill out this form every time you make a re-contribution (before or when you make the payment). If you don't, your contribution will count towards your after-tax (non-concessional) cap.

The re-contribution will count towards your transfer balance cap (this is a lifetime limit on the total amount of super that can be transferred into retirement phase income streams) and your total super balance, which are recalculated on 30 June each year.

Re-contributions can be made until 30 June 2030 and can't exceed the total amount of super you accessed under the COVID-19 early release program. Please note you can't claim a tax deduction for personal contributions made as a COVID-19 re-contribution.

Personal injury payments

You may be able to contribute some or all of an eligible personal injury payment, otherwise known as structured settlements, to super without it contributing towards your after-tax (non-concessional) cap.

Eligible payments may include:

- a payment made under a written settlement agreement regarding a claim for damages for personal injury or a court order for such a claim
- a workers compensation payment taken as a lump sum.

You must notify us before or when you make the contribution using the ATO's *Contributions for personal injury election (NAT 71162)* form.

Time limits and conditions apply. For more details, contact the ATO on 13 10 20 or visit **ato.gov.au**.

Capital gains tax cap elections

If you make a personal super contribution using the capital proceeds of the sale of certain small business assets, you can choose to exclude them from your after-tax (non-concessional) cap.

You can only do this when one of the following capital gains tax (CGT) concessions applies to you:

- **the small business 15 year exemption** – a total exemption for a capital gain on a CGT asset if you've continuously owned the asset for at least 15 years (age limits and other conditions may apply)
- **the small business retirement exemption** – an exemption for capital gains up to a lifetime limit of $500,000 (reduced by any previous CGT exempt amounts you've had disregarded under the retirement exemption).

The conditions and the other eligibility rules for the small business CGT concessions are complex, so you may need to seek professional advice.

Make sure to check your eligibility before making this election. You'll also need to notify us before or when you make the contribution using the ATO's *Capital gains tax cap election (NAT 71161)* form.

For more information, contact the ATO on 13 10 20 or visit **ato.gov.au**.

You should consider seeking advice on what's right for you.

Contribution caps

There are limits to how much you can contribute to super each financial year without incurring additional tax. These are known as contribution caps.

There are two caps to be aware of: a before-tax (concessional) cap and an after-tax (non-concessional) cap. If you go over these caps, you'll generally pay extra tax.

Type of contribution	Contributions cap 2024-25
Before-tax (concessional)	$30,000
After-tax (non-concessional)	$120,000*

* You can't make any after-tax contributions in 2024-25 without incurring extra tax if your total super balance (across all funds you participate in) was $1.9 million or more at 30 June 2024.

Contribution caps apply to the total of all your super accounts (across all super funds you participate in). If you have more than one account, you need to add up the contributions you've made across all accounts to see if you've stayed under the caps. You should check with your other funds, even if they've been transferred to CareSuper since the contributions were made.

If your super contributions in a financial year exceed the applicable contributions caps, you may need to pay additional tax. The ATO will let you know how to do this.

Go to the *Tax on contributions* section starting on page 22 for more details about tax on contributions and treatment of excess contributions.

What doesn't count towards the caps

The following types of contributions don't count towards your contribution caps:

- co-contributions
- LISTO
- rollovers
- downsizer contributions
- *First home super saver scheme* withdrawals that have been re-contributed due to failure to purchase a home
- contributions arising from proceeds of certain personal injury settlements
- sale proceeds and/or capital gains from certain disposals of qualifying small business assets up to the capital gains tax cap
- eligible re-contribution of COVID-19 early release amounts.

You should keep an eye on your super contributions to make sure you don't go over the contributions caps and have to pay more tax.

Carry-forward of unused before-tax contributions

If you had less than $500,000 in super (your 'total super balance' across all funds you participate in) at the end of the previous financial year, and you didn't use all your before-tax (concessional) caps in any financial year since 1 July 2018, you may be able to contribute more than the general concessional contributions cap.

This could allow you to make additional concessional contributions for any unused amounts carried forward from prior years.

This is a great option if you have irregular income and want to put more into your super some years, but not others.

Unused carry-forward amounts expire after five years.

For example:

If you made before-tax contributions of $17,500 in the 2023-24 financial year, you can 'carry forward' the unused $10,000 from the $27,500 before-tax (concessional) cap that applied in 2023-24.

This means that you can make before-tax contributions of up to $40,000 in 2024-25 (i.e. you can use the full $30,000 cap for 2024-25 as well as the $10,000 carried forward from 2023-24).

Bring-forward rule for after-tax contributions

If you're under 75 at any time during the financial year and your total super balance (across all funds you participate in) was less than $1.9 million at 30 June 2024, you may be able to bring forward up to two years' worth of after-tax contributions in 2024-25.

If eligible, you could contribute up to three times the annual after-tax (non-concessional) cap in one year (but less in future years).

This could be useful if you've reached your after-tax cap but have extra cash to put into super, such as an inheritance or proceeds from the sale of a large asset.

The 'bring-forward rule' is automatically triggered when your after-tax contributions exceed the relevant cap in the relevant financial year.

If you contribute the full bring-forward amount (three times the annual limit) in the first year of the three-year period, you won't be able to make any after-tax contributions in the next two years without incurring additional tax.

Your total super balance determines your after-tax (non-concessional) cap and the bring-forward period you can use if you trigger the bring-forward rule for the first time in 2024-25.

Total super balance as at 30 June 2024	After-tax (non-concessional) cap and bring-forward available
Less than $1.66 million	$360,000 over three years
$1.66 million to less than $1.78 million	$240,000 over two years
$1.78 million to less than $1.9 million	$120,000 cap over one year
$1.9 million or more	$0

If your total super balance was $1.9 million or more at 30 June 2024, you can't make any after-tax contributions in 2024-25 without incurring extra tax. However, a downsizer contribution may still be made.

If you've triggered the bring-forward rule before 1 July 2024, the amount (if any) you can contribute in 2024-25 will be different, depending on your circumstances.

Combining your super

If you've had more than one job, you might have more than one super account. Combining your super into a single account can save on account fees and makes keeping track of your super much easier.

Things to consider before combining super accounts

- **Fees and costs and investment returns** – super funds vary in terms of fees, costs and performance. This can affect your super balance at retirement.
- **Insurance** – combining super into a single account may close your other super accounts. Any insurance you have with those accounts will be cancelled. Contact your other funds to see what cover you have before combining. You may be able to transfer cover. If you want to transfer cover, contact us for more information.
- **Tax implications** – you can't claim tax deductions or split contributions on the money you transfer between super accounts, after the transfer occurs.
- **Investments** – all amounts transferred will be automatically invested in your current chosen future transaction investment strategy.
- **Let your employer know**– tell your employer that you're changing super funds before you combine your super. This will ensure they pay future contributions into the correct account. Future employer contributions will continue to be made to your other fund unless you notify your employer otherwise.

How to combine your super

You can combine all your super into CareSuper by:

- using the *Find and combine* tool in **Member Online**
- using the ATO online services through myGov
- calling us on **1800 005 166**
- completing the *Combine your super with CareSuper* form.

If you're transferring from a self-managed super fund (SMSF), you can:

- complete the *Combine your super with CareSuper* form
- complete the transfer using ATO online services through myGov
- contact your SMSF to arrange the transfer to CareSuper.

For more details, read our *How to transfer your SMSF to CareSuper* fact sheet.

Accessing your super

You can generally access your super when you:

- turn 65 (even if you're still working)
- are between 60 and 65 and are permanently retired
- stop working for an employer after turning 60, even if you're still working for another employer
- are between 60 and 65 and start a transition to retirement strategy while still working.

These are called 'conditions of release.'

While most people wait until retirement to access their super, there are times when you may need to access it sooner.

The age you can access super isn't the same age you can access the Age Pension.

Changing jobs after 60

If you leave a job after turning 60, you can access all the super you earned before you stopped working. This applies even if you're still working for another employer or start working for a new employer.

You can't access any new super you receive until you meet another condition of release. For example, you stop working for your new employer, turn 65 or permanently retire.

You're not eligible to access your super if you reduce your work hours or change jobs with the same employer.

You may need to provide evidence you've left an employment arrangement, such as final payslips showing you've been paid out all leave entitlements.

Transition to retirement

If you're between 60 and 65 and are still working, you may be able to start accessing some of your super through a transition to retirement strategy.

This involves moving some of your super into a Transition to Retirement Income (TTR Income) account and receiving regular income payments to supplement your current take-home pay.

For example, a transition to retirement strategy could help you:

- boost your super balance by making additional contributions before you retire (more super, same take-home pay)
- ease into retirement by reducing your work hours (less work, same take-home pay)

You should read our *Transition to Retirement PDS* and *Transition to Retirement TMD* at **caresuper.com.au/pds** before opening a TTR Income account. Contact us for more information.

Using super to buy your first home

Under the *First home super saver scheme*, you can make voluntary contributions into super to save for your first home. When you're ready to buy, you can then apply to access these contributions plus associated earnings.

Conditions apply. Read our *First home super saver scheme* fact sheet for details.

Extra support in difficult times

Life doesn't always go to plan. If something goes wrong, you may be able to access some or all of your super to get through tough times. This includes if you:

- experience severe financial hardship
- meet certain compassionate grounds
- have a terminal medical condition
- suffer permanent incapacity
- suffer temporary incapacity (in this case you may be able to access an insured benefit only, if you have Income Protection cover and are eligible for the benefit).

The process for accessing your super under these conditions is different to 'normal' withdrawals. For details, read our *Early access to your super* fact sheet.

Penalties apply if you illegally withdraw your super early.

Account balances under $200

If you have less than $200 in your CareSuper account and you've left the employer that contributed to your account for you, you can apply to withdraw this money.

Restricted non-preserved super

Restricted non-preserved super refers to contributions made before 1 July 1999 as part of your employment, but doesn't include employer contributions. You can access this super any time after you've stopped working for this employer.

To find out if you have any restricted non-preserved super, go to **Member Online**.

Temporary residents

If you're a temporary resident working in Australia, your employer may be required to make contributions to a super fund on your behalf.

Temporary residents have limited conditions of release. You can generally only access your super if you:

- permanently leave Australia (see below)
- are diagnosed with a terminal illness
- suffer permanent or temporary incapacity
- pass away (to be paid to your estate or beneficiaries).

Permanently leaving Australia

You can apply to have your super paid to you after you've left Australia and your visa has expired or been cancelled. This is a called a 'Departing Australia super payment' (DASP).

The ATO will let us know if you're considered a former temporary resident and tell us to report your account and pay your super balance to the ATO. You can apply to have your super paid while it's still with CareSuper. Otherwise, the ATO will hold your money until you claim it from them. Higher tax rates apply to DASPs.

Read our *Temporary residents departing Australia* fact sheet for more details.

If you move permanently to New Zealand, you may be able to transfer your Australian super to a KiwiSaver account. Read our *Transferring your super to a KiwiSaver* fact sheet for more details.

Before you apply to access your super

There are some important things you should consider before applying to access your super.

- If you access your super early, you may have less money in retirement.
- Any insurance through your super account will be cancelled if you close your account.
- To keep your CareSuper account open, you'll need to leave at least $200 in the account (unless the amount being withdrawn has been approved by the ATO). If you're opening a CareSuper Retirement Income account and want to keep your CareSuper super account open, you'll need to leave a balance of at least $6,000 in your account. We may adjust any withdrawal amounts to meet this requirement.
- You may have to pay tax on your withdrawal, depending on your circumstances.
- Part withdrawals are paid in line with your chosen future transaction investment strategy. For example, if your chosen investment strategy for contributions and other transactions is split equally between two investment options, the withdrawal will be made in equal proportions from these investment options.
- If you want to claim a tax deduction or split your contributions with your spouse, do this before withdrawing all or part of your super. These options aren't available or will be limited for contributions you've withdrawn from CareSuper.
- Releasing super early may count towards your assessable income for income tax purposes. This can affect child support, family tax benefit and any government income support (if applicable).

You should seek advice from a financial adviser to confirm if withdrawing your super will have any tax implications, and how it could affect any government income payments you may receive. If you're under 60, you may have to pay tax.

Transferring your super

Most people can transfer some or all of their super to another regulated super fund.

If you transfer your whole balance, your account will be closed, and any insurance you have attached to your account will cease.

If you transfer part of your balance to another fund, you must leave at least $6,000 in your CareSuper account. You can't request a partial transfer if your account balance is less than $6,000, and we may adjust your requested amount to meet this requirement.

Your super will generally be transferred to your chosen fund within three business days.

Your transfer may not be processed if the receiving fund won't accept the transfer or if your personal details recorded with CareSuper and your other super fund don't match.

Providing proof of identity

We need to verify your identity when you:

- withdraw super from your account
- transfer super to another super fund
- apply to open a retirement income account.

This is to make sure we're giving your hard-earned money to the right person.

We also collect your personal details and other identification information while you're a member of CareSuper. This is to meet our obligations under Australian anti-money laundering and counter-terrorism financing laws.

You can choose for us to verify your identity using either electronic verification or paper-based verification.

If you're transferring your super to another fund, we can generally prove your identity using your TFN.

Read our *Guide to providing proof of ID* fact sheet for more details.

For important information about how we collect, hold and use your personal information and exercising your rights in relation to that information (including accessing or correcting it, or making a complaint) you should consider our *Privacy policy* available at **caresuper.com.au/privacy** or by contacting us.

Lost and unclaimed super

By law, we must report and transfer lost and unclaimed member accounts to the ATO twice a year.

If we transfer your account to the ATO, your CareSuper membership and any insurance attached to your account will be cancelled.

Your account may be (and in some cases must be) transferred to the ATO if you meet one of the following conditions:

- You're 65 or older, we haven't received any contributions or rollovers into your account within the last two years, it's been at least five years since we had contact with you, and we've been unable to contact you after making reasonable efforts.
- You've passed away, we haven't received an amount for you for the past two years, and after making reasonable efforts and after a reasonable period has passed, we're unable to ensure that the death benefit will be received by the person who's entitled to receive it.
- You're a former temporary Australian resident who didn't claim your benefit within six months of departure or the expiry of your visa. Under Australian Securities and Investments Commission relief, which the trustee relies on, we don't have to provide you with an exit statement or other notification if we transfer your super to the ATO in these circumstances. We're required to transfer the super of former temporary residents to the ATO in such circumstances, however you have the right to claim your benefit from the ATO.
- We can't pay an amount under a family law split agreement, as we can't ensure that the non-member spouse or their legal personal representative will receive the amount after making reasonable efforts and after a reasonable period has passed.
- You're considered to be a lost member (according to the following definition of lost uncontactable or lost inactive), and either of the following applies:
  - your account has a balance of less than $6,000 (small lost member account); or
  - your account is considered lost uncontactable and your account hasn't received a contribution or rollover within the last 12 months, and we can't contact you after making reasonable efforts.
- You have an inactive low-balance account. Your account is considered inactive if all of the following apply:
  - we haven't received a contribution or rollover for 16 months
  - your account balance is less than $6,000
  - you don't have insurance on your account
  - you haven't satisfied a condition of release
  - in the last 16 months, you haven't changed investment options or insurance, made an election to maintain insurance, made or amended a binding beneficiary nomination or provided written instruction to us to confirm you don't want your account transferred to the ATO.
- We believe transferring your super to the ATO is in your best interests.

Lost members

We may classify your account as 'lost' if you're uncontactable or inactive.

You'll be considered 'lost uncontactable' if:

- you haven't contacted us or accessed your account in Member Online in the past 12 months
- there have been no contributions or rollover payments received in your account in the past 12 months
- we can't contact you using any details we have. This may be because you've transferred from another super fund as a lost member and we haven't found or been advised of a new address, or we've lost contact with you at your last known address (including email) and one or more written communications we've sent to you have been returned unclaimed.

Your account will be considered 'lost inactive' if:

- you joined more than two years ago as a member whose employer initially contributed to your account
- we haven't received any contributions or transfers to your account in the past five years and
- you haven't updated your account details or preferences or indicated that you're aware of your account.

For details about lost and unclaimed super, go to ato.gov.au.

Finding your lost super

We can help you find lost super and transfer it to your CareSuper account. You can:

- log in to **Member Online**
- call us on **1800 005 166**.

If we search for super on your request and find any lost super held by the ATO, it will be automatically transferred to your account.

If we find other super accounts in your name, you can authorise us to request the transfer of some or all of these accounts to your CareSuper account.

You can also search for lost super held at the ATO through myGov. For details, contact the ATO on 13 10 20 or visit my.gov.au.

Super and family law

Under family law, your account may be split between you and your ex-spouse. When this happens, the trustee must provide certain details about your account to your former spouse. Sometimes, this may be done without notification or consent. Individuals involved in family law proceedings may also request information about their former spouse through the Family Court.

Super can be split through a super agreement between you and your ex-spouse or as the Family Court decides. Once a super split has been implemented, the share of your account payable to your ex-spouse will be transferred into a super account in their name. If your ex-spouse doesn't have a CareSuper account, we'll set up a new one for them. Alternatively, they can choose to transfer this money to another super fund or withdraw it if they meet a condition of release to access their super.

There are some situations where super benefits can't be split, such as when your account balance is less than $5,000.

Contact your legal adviser or financial adviser for details about how a family law split may affect your benefits.

Super benefits may also be 'flagged', which prevents the trustee from making certain payments. Flagging can be achieved by an appropriately executed agreement between the parties to a relationship or by court order.

For more details about family law, read our *Super and family law* fact sheet.

Super and your social security

Eligibility for government benefits depends on your age, residency status and the income and assets tests. How much you receive depends on the income you receive from other sources (including your super) and the value of your assets.

Assets held in a CareSuper super account are generally not assessed for the purposes of calculating government benefits, unless you're over Age Pension age.

If you start receiving income payments from your super savings or access amounts as lump sum withdrawals, this may impact your eligibility for government benefits. We recommend that you seek professional financial advice before accessing your super.

If you're receiving government benefits, you may be obligated to report any changes in your circumstances directly to Services Australia within 14 days of the change occurring.

For more information about the income and assets tests, go to **servicesaustralia.gov.au**.

Nominating your beneficiaries

A beneficiary is the person or persons you nominate to receive all or part of your account balance when you pass away, including any insured death benefit if applicable. This payment is called your 'death benefit'.

Who can you nominate as a beneficiary?

You can nominate your legal personal representative and/or your dependants.

Your legal personal representative is either:

- your estate's executor (if you have a Will)
- your estate's court-appointed administrator (if you don't have a Will)
- your estate's trustee or a person who holds an enduring power of attorney granted by you.

If you nominate your legal personal representative to receive some or all of your death benefit, the benefit will form part of your estate and will be distributed according to your Will.

If you don't have a Will, the laws on dying without a Will apply.

For super purposes, your dependants include:

- your spouse (including a de facto partner)
- your children of any age (including natural, step and adopted children)
- a person you have an interdependent relationship with
- any other person who, when you passed away, was wholly or partly dependent on you.

You may have an interdependent relationship if all of these apply:

- you live together
- you have a close personal relationship
- one or each of you provides the other with financial support
- one or each of you provides the other with domestic support and personal care.

This may include a parent or sibling. You may also have an interdependent relationship if you have a close personal relationship but don't live together because either or both of you suffer from a physical, intellectual, or psychiatric disability.

We can only pay your benefit to people who are alive and are your dependant/s or legal personal representative when you pass away.

You can see your nomination on your member statement and in **Member Online**.

How to nominate a beneficiary

There are two types of beneficiary nominations: **non-binding** and **binding**.

Which nomination you make will depend on your specific circumstances.

Non-binding and binding nominations can be made for all CareSuper accounts you hold, including both accumulation and retirement income accounts. You can choose for a nomination to only apply to one account or all accounts you hold.

Non-binding nomination

With non-binding nominations, you nominate who you'd prefer to get your death benefit when you pass away.

Non-binding nominations aren't legally binding. While your wishes are considered, it's ultimately up to the trustee to decide who gets your death benefit and how much. This decision is made in line with all relevant super laws and the trust deed.

Non-binding nominations never expire and can be made, updated or changed at any time:

- through **Member Online**
- by calling us on **1800 005 166**
- by completing the *Choose your non-binding beneficiaries* form.

Binding nomination

With binding nominations, the trustee is legally obliged to pay your death benefit to your nominated beneficiaries in the proportions you've chosen, as long as the nomination is valid and effective when you pass away.

This gives you more control over who gets your super and can be helpful when your circumstances are more complex. This includes if you've been married multiple times or have kids from previous relationships.

To make or change a binding nomination, fill out the *Make a binding death benefit nomination* form.

When making a binding nomination, you can choose either:

- **lapsing** – this will expire after three years, unless cancelled earlier, or
- **non-lapsing** – this means that it will never expire (unless you cancel or update it).

For your binding nomination to be valid, you must ensure:

- the form doesn't contain any amendments or corrections
- your form is signed and dated on the same day you sign by two witnesses who are over the age of 18 and who aren't nominated on the form.

The form must also be received and acknowledged by CareSuper before you pass away for it to be valid.

For your nomination to be effective, your nominated legal personal representative and/or dependant(s) must be your representative and/or dependant(s) when you pass away. If your binding nomination is identified as being invalid when you pass away, or isn't effective when you pass away, the trustee will decide who to pay your benefit to as though you had a non-binding nomination.

It's important to review your nomination whenever your circumstances change.

If any of the following changes occur after you make a binding nomination, your nomination may become invalid:

- you're no longer in a relationship with your nominated spouse
- you've started a new relationship with a spouse who you haven't nominated as a beneficiary
- you have a child with someone who is not your spouse
- if any of your nominated dependants or your legal personal representative(s) pass away before you do
- if any of your nominated dependants cease to be a dependant of yours under super laws
- if any person nominated as your legal personal representative ceases to be your legal personal representative

In some circumstances, for example a court order, the trustee may not be able to pay a benefit in accordance with an otherwise valid and effective binding nomination.

Renewing your binding nomination

If you have an expiring binding nomination and your beneficiaries haven't changed, you can renew your binding nomination before it expires in **Member Online** or by completing the *Renew your binding death benefit nomination* form. We'll contact you to let you know when your nomination is about to expire.

Change or cancel your binding nomination

You can change your nomination anytime by completing another *Make a binding death benefit nomination* form. This includes if you'd like to change your expiring binding nomination to a non-lapsing binding nomination.

You can cancel your nomination at any time by completing the *Cancel a binding death benefit nomination* form.

If you don't make a nomination

If you pass away without making a nomination, or your nomination isn't valid or effective when you pass away, we'll decide how to pay your death benefit.

Usually, your benefit can only be paid to your dependant or dependants and/or legal personal representative.

How super is taxed

This section provides a brief summary of the tax implications applicable to super. Tax on super can be very complicated. We strongly recommend you confirm your individual tax situation with your tax adviser.

Tax rules relating to super are subject to change. Limits or thresholds may be updated from year to year. This is a summary only that doesn't take into account your individual circumstances. You should refer to ato.gov.au/super for further information and consult an appropriately qualified adviser about your personal situation.

Super can be a tax-effective way to save for your retirement. Understanding how different taxes work may help maximise your benefits.

Your super may be taxed when:

- it's contributed to the fund
- it earns income in the fund
- it's withdrawn from the fund.

Providing your tax file number (TFN)

When you invest with us, we'll ask you for your TFN. By providing us with your TFN, you may avoid paying more tax and be eligible for government entitlements. When we have your TFN we can accept personal contributions to your account so you can top up your balance, and it makes it easier for you to keep track of your super over time.

We're required to properly safeguard your TFN and are only authorised to collect, use or disclose it for approved super and tax purposes, including:

- matching contributions and rollovers to your account
- advising the ATO for tax purposes
- advising the ATO of your benefits should you become lost to the fund
- making it easier to find super accounts in your name
- consolidating super accounts within and across funds.
- helping the ATO determine whether you're eligible for government entitlements
- taxing super payments at concessional rates.

These approved purposes may change in the future.

Your employer is obliged to pass on your TFN to the fund receiving your employer-related super contributions.

We'll provide your TFN to the trustee of another super fund if your benefits are transferring to that fund unless you tell us in writing not to.

For more details about providing your TFN, call us on **1800 005 166**, contact the ATO on 13 10 20 or visit ato.gov.au.

Extra tax payable when you don't provide your TFN

If you don't provide us with your TFN, you may incur an additional tax of 32% on top of the usual 15% contributions tax rate applicable to assessable contributions such as employer contributions (including salary sacrifice contributions). You may be able to claim the additional tax back if you provide us with your TFN within three years of the end of the income year in which the relevant contributions were made.

Tax on contributions

Super contributions are generally either before-tax (concessional) contributions or after-tax (non-concessional) contributions. The main difference is when you can make them and how they're taxed.

See the *Contributing to super* section starting on page 5 for more details.

Generally, you don't pay any tax on after-tax contributions (as you or your spouse already paid income tax on these amounts).

We must have your TFN to receive personal and spouse contributions for you, and your total super balance (across all funds you participate in) must be less than $1.9 million at 30 June 2024 for these contributions to be made in 2024-25 without paying extra tax.

Before-tax contributions are generally subject to a tax rate of 15%. This is called a 'contributions tax.'

However, if the total of your income and before-tax contributions is over $250,000 a year, you may pay an extra 15% on some or all of your before-tax contributions, as advised by the ATO.

Contributions tax is deducted from your account when employer contributions and salary sacrifice contributions are received. It's also deducted when you claim a tax deduction for personal contributions you've made.

If you earn $37,000 or less you may be eligible to receive some or all of this tax back with the government's low income super tax offset.

You can easily check how much contributions tax has been deducted from your account in **Member Online** and on your statements.

If your super contributions in a financial year exceed the applicable contributions caps, the ATO will let you know how much extra tax you need to pay and how to do this.

You should keep an eye on your super contributions to make sure you don't go over the contributions caps and have to pay more tax.

Tax on excess before-tax contributions

Contributions that go over the before-tax (concessional) cap are included in your assessable income for the relevant year and taxed at your personal marginal tax rate, including the Medicare levy, minus a 15% tax offset.

There are two options for paying tax on your excess before-tax contributions:

1 **Release your excess amounts** - you can withdraw up to 85% of your excess before-tax contributions from your super to help pay your income tax assessment. Released amounts are paid directly to the ATO, who will pay any outstanding tax or other Australian Government debts you may have and refund any remaining balance to you.

2 **Leave the excess amount in your super** - you pay the assessed amount of excess contributions tax to the ATO using money outside of super. In this case, your excess before-tax contributions will count towards your after-tax (non-concessional) cap.

If you don't tell the ATO how you want to pay your excess before-tax contributions, option 2 will automatically apply.

Tax on excess after-tax contributions

You can choose how your excess after-tax contributions are taxed from the following options:

1 **Release your excess amounts** - you can withdraw your excess after-tax contributions and up to 85% of the associated earnings from your super account. If withdrawn, the earnings will be taxed at your personal tax rate including the Medicare levy (less a 15% tax offset). Released amounts are paid directly to the ATO, who will pay any outstanding tax or other Australian Government debts you may have and refund any remaining balance to you.

2 **Leave the excess amount in your super** - your excess contributions will be taxed at the highest marginal tax rate of 47%, including the Medicare levy. The tax liability must be withdrawn from your super account.

If you don't tell the ATO how you want to pay your excess after-tax contributions, the ATO may issue a release to your super fund on your behalf under option 1. If the amounts are unable to be released under option 1, the ATO will proceed with option 2. If you have insufficient funds in your super account to pay the released amount, your account may be closed which could result in the loss of any insurance cover held in your account.

Transferring money from another fund to CareSuper

Generally, transfers from a taxed source aren't taxed when added to your super. However, if you're transferring from an untaxed super fund (for example, some public sector schemes), the untaxed element will be taxed at 15%.

Tax on investment earnings

Investment earnings are taxed at up to 15%, depending on your investment option. The actual rate of tax paid may be less due to the effect of various tax credits, deductions and offsets.

The amount of tax payable is taken into account when calculating the unit price for each investment option and is deducted before the earnings are reflected in your account balance.

Direct Investment option (DIO)

As all investments in the DIO are made via CareSuper, you benefit from the concessional tax treatment applicable to super investments.

If you realise a capital gain during the financial year in relation to your DIO assets, tax will be deducted from your DIO Cash account on the disposal that gave rise to the capital gain.

Any franking credits and other related tax adjustments will generally be applied to your DIO Cash account.

As part of calculating your tax adjustment at the end of the financial year, capital losses on the disposal of your DIO assets will be applied to your account.

The ability to pay you a capital loss benefit will depend on the overall capital gain position of the DIO and/or the Fund.

Tax on capital gains and income earned within a DIO account will generally be deducted when those transactions are processed.

You must hold listed securities for a sufficient period in line with the '45 day rule' in order to be eligible for franking credits from any dividends. To receive the applicable franking credits or tax adjustments, you must be a CareSuper member when the annual adjustment is due to be applied to your account, following the end of the financial year (around February of the following year).

Your tax components

Super accounts are made up of a tax-free component and a taxable component.

- The **tax-free component** will generally be paid out to you (or your beneficiaries) without tax being applied or withheld.
- The **taxable component** may have tax applied or withheld depending on your age and how (and to whom) the payment is made.

When you access super, the amount withdrawn is paid proportionately from both components (you can't choose which component your withdrawal is paid from).

You can check your tax components for your balance in **Member Online** or by contacting us. These amounts are also shown in your annual member statement.

Tax on withdrawals

If you're 60 or over

- Super withdrawals are generally tax-free.
- You don't need to declare these amounts as assessable income when you lodge a tax return.

If you're under 60

- You may need to pay tax when you draw money out of your account.
- Tax may apply to the taxable component of your withdrawals with a taxed element. This will be taxed at your marginal tax rate plus the Medicare levy or 22% (including the Medicare levy), whichever is lower. We'll withhold 22% at the time of the payment. If your marginal tax rate is lower, you may get some of this tax back when you lodge your personal income tax return. Taxes are generally withheld from your payment before you receive it.

In the case of compassionate grounds applications, the ATO will approve a net amount that we can pay to you. If tax needs to be paid, we'll gross up the payment amount for any applicable tax. This means the amount we withdraw from your account will be greater than the approved net amount if necessary, to account for the tax that needs to be paid.

If your benefit includes an untaxed element (such as insurance proceeds), a higher tax rate may apply.

Higher tax rates will apply if you access your super as a departing temporary resident.

Tax on permanent disablement and terminal medical conditions

You may pay less tax if you access your super due to permanent disablement, and lump sum payments due to a terminal medical condition are tax-free.

Tax on departing Australia super payments

If you're a temporary resident working in Australia, your employer must make compulsory super contributions (if eligible) on your behalf.

You may be able to claim this super if you're leaving Australia and your visa has ceased. This is called a 'Departing Australia super payment' (DASP).

The type of visa you held determines the tax rate of your DASP, as shown below:

Component of DASP	DASP ordinary tax rate	DASP working holiday maker tax rate*
Tax-free	0%	0%
Taxable component - taxed element	35%	65%
Taxable component - untaxed element	45%	65%

* You're considered a working holiday maker if you held a 417 or 462 visa or a bridging visa associated with a 417 or 462 visa.

For more details, read our *Temporary residents departing Australia* fact sheet or contact the ATO on 13 10 20 or visit ato.gov.au.

Tax on death benefits

The tax applied to your death benefit depends on who receives your benefit, and whether it's paid as a lump sum or as an income stream.

Lump sum payments

No tax is payable on lump-sum death benefits paid to a person classed as a dependant for tax purposes, such as:

- your current or former spouse (including de facto partner)
- your child under age 18
- any person who was dependent upon you at the time of your death or
- any person in an interdependency relationship with you.

Children 18 years and over must be financially dependent on you at the time of your death to be considered a dependant for tax purposes.

Adult children who aren't financially dependent on you can still receive your super death benefits. However, they'll be assessed as non-dependants for tax purposes.

The amount of tax paid by non-dependants will depend on the tax components of the account.

Dependency under tax law	Tax on the tax-free component	Tax on the taxable component (Includes the Medicare levy)
Dependant	Nil	Nil
Non-dependant	Nil	**Taxed element** - taxed at the recipient's marginal tax rate or 17%, whichever is lower. **Untaxed element** – taxed at the recipient's marginal tax rate or 32%, whichever is lower.

Death benefit income streams

Certain dependant beneficiaries may be eligible to convert a super death benefit into an income stream. Read our *Retirement Income PDS* available at **caresuper.com.au/pds** for more details.

Helping you to sort your super

We're here to help you make the most of your super. You can access general information, education, and personal advice about your CareSuper account at no extra cost.

If you need advice on your entire financial situation or have more complex needs, we can assist with that too. There might be an additional cost, but we'll explain any fees upfront, and you'll only pay for the services you agree to.

For more details, visit **caresuper.com.au/advice**.

Keeping in touch is easy

Call

Call 1800 005 166 for easy access to your CareSuper account information. You can talk to one of our friendly staff between 8am to 7pm each business day.

Visit

Visit caresuper.com.au to access the latest news and information, check out how CareSuper is performing and download publications and forms.

Log in

Manage your super through Member Online. Simply log in to view your account balance or change your details or investment options.
Log in or register at caresuper.com.au.

Email

You can send any questions or concerns through to info@caresuper.com.au.

Make sure we can find you!

If you've changed your postal or email address, or if you are about to, don't forget to let us know. This way, you'll be sure to receive your important super statements and other valuable information.

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