



Extra contributions

Two easy ways to top up your super so you can have even more in the end

15 August 2006

Issued by Host-Plus Pty Limited
ABN 79 008 634 704



Put away today for the lifestyle you want tomorrow

If you dream of enjoying a comfortable lifestyle in retirement, not to mention a few well-earned treats like a long holiday or new car, compulsory super contributions alone will probably not be enough.

The reality is we're living longer and our super may need to last 20 years or more. Take a simple item such as food: three meals a day, at \$10 a meal for 20 years, adds up to almost \$220,000.

And in retirement you'll want to do more than just eat.

So you need to work out how much extra you should be putting into your **HOSTPLUS** Executive account today, to afford the lifestyle you want tomorrow.

It pays to start sooner rather than later

It's amazing the effect topping up your super now can have on your final superannuation payout later.

For instance, if you start contributing \$50 extra a week at age 25, you could end up with \$321,717 at retirement – on top of the compulsory super contributions your employer pays.

Start at age 45 and this could be just \$88,062 extra.

As the following table shows, the trick is to begin early and enjoy the benefits of compound interest.

Start contributing at age	Extra weekly contribution	Total extra contributions	Estimated extra benefit at retirement
25	\$25	\$52,000	\$160,858
	\$50	\$104,000	\$321,717
35	\$25	\$39,000	\$88,471
	\$50	\$78,000	\$176,941
45	\$25	\$26,000	\$44,031
	\$50	\$52,000	\$88,062

Source: JANA Investment Advisers Pty Ltd. The estimated benefit is expressed in 2006 dollars (may be less in the future) and is calculated assuming a compound interest rate of 5% p.a. with amounts being fully invested until age 65. These assumptions are for illustrative purposes only, fees and taxes are not accounted for. The investment return is not guaranteed and can be higher or lower than set out in this example. This is not a prediction or estimate of actual retirement savings.

Here are two easy ways to top up your super

You can choose to top up your HOSTPLUS Executive account either before tax is taken out of your pay or after. Both offer tax advantages as well as building up your super for the future.

1. Salary sacrifice contributions

Salary sacrifice contributions are paid by your employer from your before-tax salary. Salary sacrifice contributions are automatically deposited into your HOSTPLUS Executive account by payroll deduction on your behalf.

These payments will appear on your half-yearly benefit statements.

Taxed at a low 15% when deposited

Salary sacrifice contributions are taxed at just 15% when deposited into super rather than at personal income tax rates, which can be up to 45% (excluding the Medicare Levy).

They can also help reduce your overall taxable income.

For instance, let's say your total remuneration is \$100,000 per year plus super. If you decide to salary sacrifice \$10,000 of your before-tax salary in super, you could pay \$3,500 less in tax while increasing your super savings at the same time.

Just take a look at the table below.

Getting started is simple

To arrange for salary sacrifice contributions to be made into your HOSTPLUS Executive account, simply ask your employer.

For more information about making salary sacrifice contributions, call **1300 799 998** or visit **hostplusexecutive.com.au** for a copy of our Salary Sacrifice Guide.

Some employers don't offer salary sacrifice or they may be unable to let you sacrifice part of your salary to super if this brings your salary under a particular level of an applicable award.

Contributions	\$100,000 remuneration ¹ without salary sacrifice	\$100,000 remuneration ¹ with \$10,000 salary sacrifice
Compulsory employer SG contributions – 9%	\$9,000	\$9,000
Extra contributions – salary sacrifice	\$0	\$10,000
Total super contributions	\$9,000	\$19,000
Tax		
15% contributions tax	\$1,350	\$2,850
Income tax	\$27,850 based on salary of \$100,000	\$23,850 based on salary of \$90,000
Total tax paid	\$29,200	\$26,700

\$10,000 more in total super contributions if salary sacrificing

\$2,500 less total tax paid if salary sacrificing

1. Total remuneration of \$100,000 plus super, excluding Medicare Levy of 1.5%. This example assumes that your employer will choose not to reduce your SG contributions as a result of salary sacrifice.

2. Personal contributions

Personal contributions are paid by you from your after-tax salary. You can make personal contributions to your **HOSTPLUS** Executive account by cheque, payroll deduction, **BPAY**®, **POSTbillpay**® or direct debit.

Taxed at 0% when deposited

You can make personal contributions for any amount, at any time. Your contributions are taxed at 0%.

It's easy

To begin making personal contributions, simply select your preferred payment method from the table below.

If you wish to make personal contributions by cheque, please call **1300 799 998** for a **HOSTPLUS** Executive contribution slip booklet.

To enjoy the convenience of making personal contributions automatically from your nominated account, complete the direct debit authority opposite and return today to:

HOSTPLUS Executive
Locked Bag 969
Carlton South VIC 3053

Financial help is on hand

The right way to save more for retirement depends on your situation. For example, your age and work situation can affect whether you can contribute to super.

A licenced financial planner can help.

In fact, in your first year as a **HOSTPLUS** Executive member, you're entitled to a free, initial financial plan for superannuation from Industry Fund Financial Planning (IFFP) AFSL 232514. So please, don't delay.

To arrange a consultation with a licensed IFFP financial planner, call **HOSTPLUS** Executive on **1300 799 998**.

Making payments

Payment method	Frequency	Action
Payroll deductions from your after-tax salary	As agreed with your employer	Talk to your employer
Direct debit from your nominated account	Twice monthly, monthly, quarterly or annually	Complete and return the attached direct debit authorisation
Cheque	As often as you like	Send a cheque with a completed contribution slip
BPAY ®	As often as you like	Complete transaction via your banking institution's phone or internet banking facilities
POSTbillpay ®	As often as you like	Complete transaction online, by phone or at any Australia Post Office

Member age

		Under 65	Over 65 under 70	Over 70 under 75	75 and over
Contribution type	Personal	Any person, irrespective of their work status, may make personal contributions.	A member may make personal contributions if they have been gainfully employed for at least 40 hours in 30 consecutive days during the current financial year. ¹		Not allowed.
	Employer	An employer can make the following: <ul style="list-style-type: none"> mandated employer contributions (including SG and award contributions), and additional employer contributions (ie. over and above the mandated contributions, such as, salary sacrifice). 	The following employer contributions can be made: <ul style="list-style-type: none"> mandated employer contributions (including SG and award contributions), and additional employer contributions (eg. salary sacrifice) if the member has been gainfully employed for at least 40 hours in 30 consecutive days during the current financial year.¹ 	Only mandated employer contributions required under an award or industrial agreement can be made. (SG contributions aren't required for employees aged 70 and over.)	

1. Once you turn age 65, we'll write to you each year to confirm your continuing eligibility to make contributions to super.



Direct debit authority This form must be completed in full. Please use BLOCK letters.

Step 1 Provide request and authority to debit

HOSTPLUS Executive membership no.

OFFICE USE ONLY

Given name(s)

Surname

Address

City/Suburb

State

Postcode

I request and authorise HOSTPLUS Administration (Superpartners Pty Ltd ABN 57 078 907 883, the user, user ID number 116299) to arrange for any amount HOSTPLUS Administration may debit or charge me through Bulk Electronic Clearing System from an account held at the financial institution identified below subject to the terms and conditions of the direct debit request service agreement (and any further instructions provided below).

Step 2 Provide your account details

Name of account (eg. John Smith)

BSB number

Account number

Financial institution's name

Address

City/Suburb

State

Postcode

Step 3 Nominate the debit amount

Frequency of deduction

Twice monthly Monthly Quarterly* Yearly*

If you have selected twice monthly or monthly, when would you like the amount to be deducted? Please note: If you have selected twice monthly please choose two dates.

7th 14th 21st 28th Date of first direct debit / /

Amount to be deducted \$

Amount in words

Step 4 Sign the declaration

By signing this direct debit authority you acknowledge that you've read and understood the terms and conditions governing the debit arrangements between you and HOSTPLUS Administration (Superpartners Pty Ltd ABN 57 078 907 883) as set out in this request and in the direct debit request service agreement.

By signing this form, I acknowledge that I've read and understand the relevant terms and conditions of my contribution.

I acknowledge that I have read and understood the direct debit request service agreement contained within this brochure.

Signature

Date

* Please note: Quarterly direct debits will occur during the last week of the month ending each business quarter (ie. March, June, September and December). Yearly direct debits will occur on the 28th day of the month received. If received after this date, direct debiting will occur on the 28th day of the following month.





Direct debit request service agreement

Definitions

Account means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

Agreement means this direct debit request service agreement between you and us.

Business day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

Debit day means the day that payment by you to us is due.

Debit payment means a particular transaction where a debit is made.

Direct debit request means the direct debit request between us and you (and includes any Form PD-C approved for use in the transitional period).

Us or we means HOSTPLUS Administration (Superpartners Pty Ltd ABN 57 078 907 883) you have authorised by signing a direct debit request.

You means the customer who signed the direct debit request.

Your financial institution is the financial institution where you hold the account that you have authorised us to arrange to debit.

1. Debiting your account

- 1.1 By signing a direct debit request, you have authorised us to arrange for funds to be debited from your account. You should refer to the direct debit request and this agreement for the terms of the arrangement between us and you.
- 1.2 We will only arrange for funds to be debited from your account as authorised in the direct debit request.
- 1.3 If the debit day falls on a day that is not a business day, we may direct your financial institution to debit your account on the following business day.

If you are unsure about which day your account has or will be debited you should ask your financial institution.

2. Changes by us

- 2.1 We may vary any details of this agreement or a direct debit request at any time by giving you at least 14 days' written notice.

3. Changes by you

- 3.1 Subject to 3.2 and 3.3, you may change the arrangements under a direct debit request by contacting us on **1300 799 998**.
- 3.2 If you wish to stop or defer a debit payment you must notify us in writing at least 14 days before the next debit day. This notice should be given to us in the first instance.

- 3.3 You may also cancel your authority for us to debit your account at any time by giving us 14 days' notice in writing before the next debit day. This notice should be given to us in the first instance.

4. Your obligations

- 4.1 It is your responsibility to ensure that there are sufficient cleared funds available in your account to allow a debit payment to be made in accordance with the direct debit request.
- 4.2 If there are insufficient cleared funds in your account to meet a debit payment:
 - (a) you may be charged a fee and/or interest by your financial institution
 - (b) you may also incur fees or charges imposed or incurred by us, and
 - (c) you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.
- 4.3 You should check your account statement to verify that the amounts debited from your account are correct.
- 4.4 If National Australia Bank Limited ACN 004 044 937 (National) is liable to pay goods and services tax (GST) on a supply made by the National in connection with this agreement, then you agree to pay the National on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

5. Dispute

- 5.1 If you believe that there has been an error in debiting your account, you should notify us directly on **1300 799 998** and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly.
- 5.2 If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.
- 5.3 If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding.

- 5.4 Any queries you may have about an error made in debiting your account should be directed to us in the first instance so that we can attempt to resolve the matter between us and you. If we cannot resolve the matter you can still refer it to your financial institution which will obtain details from you of the disputed transaction and may lodge a claim on your behalf.

6. Accounts

- 6.1 You should check:
 - (a) with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions
 - (b) your account details which you have provided to us are correct by checking them against a recent account statement, and
 - (c) with your financial institution before completing the direct debit request if you have any queries about how to complete the direct debit request.

7. Confidentiality

- 7.1 We will keep any information (including your account details) in your direct debit request confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.
- 7.2 We will only disclose information that we have about you:
 - (a) to the extent specifically required by law, or
 - (b) for the purposes of this agreement (including disclosing information in connection with any query or claim).

8. Notice

- 8.1 If you wish to notify us in writing about anything relating to this agreement, you should write to:
HOSTPLUS Executive
Locked Bag 969
Carlton South VIC 3053
- 8.2 We will notify you by sending a notice in the ordinary post to the address you have given us in the direct debit request.
- 8.3 Any notice will be deemed to have been received two business days after it is posted.

We're happy to help

If you'd like more information about making extra contributions to your **HOSTPLUS** Executive account, just call **1300 799 998**, 8am–8pm, Monday to Friday or visit hostplusexecutive.com.au



Issued by Host-Plus Pty Limited ABN 79 008 634 704, AFSL No. 244392, RSEL No. L0000093, RSE No. R1000054.

The information in this publication has been prepared in August 2006 by Host-Plus Pty Limited. This is a summary only. It is not intended to be, and is not, a complete or definitive statement of matters outlined in it. **HOSTPLUS** does not recommend that you make decisions concerning superannuation arrangements based solely on the information in this publication. This information is of a general nature. It has been prepared without taking into account your particular investment objectives, circumstances, financial situation or needs. When considering your own objectives you will need to consider, with the help of a licenced financial adviser, whether the advice is appropriate in light of your particular investment needs, objectives and financial circumstances. This publication is also not intended to be, and should not be construed in any way as investment, legal or financial advice. If the information relates to the acquisition, or possible acquisition, of a particular financial product, you should obtain a Product Disclosure Statement relating to the product and consider the Statement before making any decision about whether to acquire the product.

Postal address

Locked Bag 969
Carlton South VIC 3053

Phone 1300 799 998

Fax 1300 366 991

Visit hostplusexecutive.com.au

Email info@mail.hostplusexecutive.com.au

Website 4268 08/06
HOSTC3191

