

AN INITIATIVE BY KIMBERLEY JIYIGAS

WEALTH FOR PURPOSE[©]



Superannuation



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The information is General only and does not take into consideration your personal objectives, financial situation and needs. It is not financial advice. Before making any personal financial decisions, you should consult a licensed financial adviser who is aware of the facts and circumstances of your individual circumstances.

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What is Superannuation?

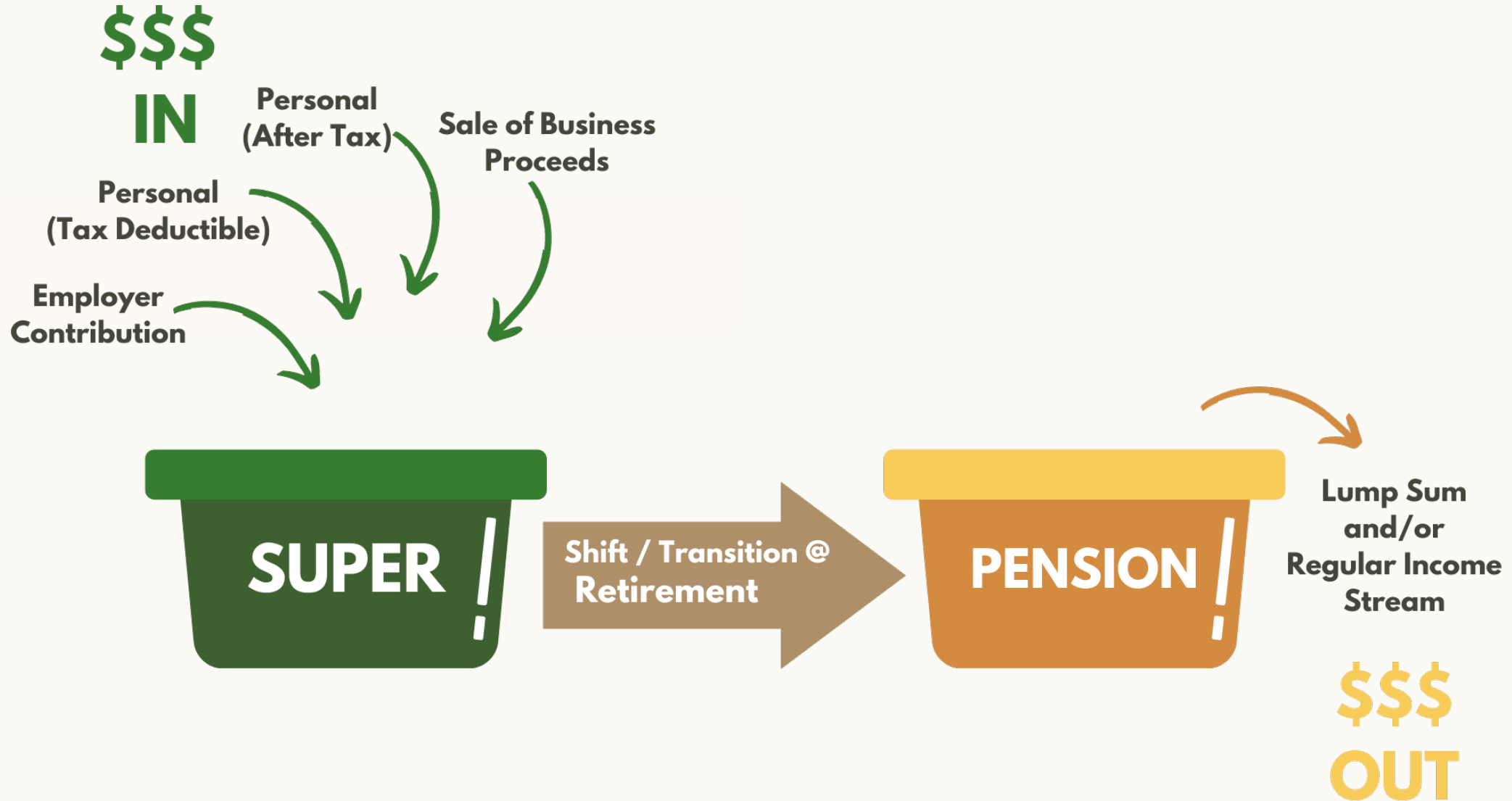
Simple.

It is savings for retirement

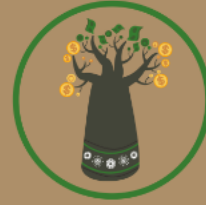




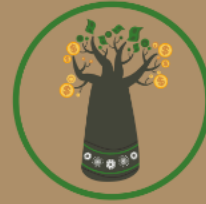
How Does it Work?



Why Bother with Super?



Government Benefits
Aged Pension - is very BASIC



Est \$42,000/year for a couple
(\$1,615 per fortnight for 2 people)



Comfortable retirement?
Est \$2,300+ p.f. for 2 people



Types of Superfunds

- **Defined Benefit Schemes**
- **Accumulation Superfunds**
Employer contributions – now 11%
Personal contributions
Tax-deductible up to \$27,500/year
- **Self Managed Superfunds**

Reminder - Self Employed?

NO contributions to super unless you make them yourself (tax advantages).

A quick word on ..

Self-Managed Superfunds “SMSF”

Is this for me?

- No minimum, but recommended balance \$250,000+
- You are personally liable for all the fund's decisions
- Managing an SMSF is a lot of work
- Even with professional help, time-consuming
- The set-up and running costs of an SMSF can be high
- Ongoing costs: investing, accounting, auditing, insurance premiums & personal SMSF advice on tax, legal, financial matters

Still interested? Google “ASIC Moneysmart SMSF”



How do I Invest my Super?

Do Nothing



Invested in the
Default

*Usually
MySuper
Account

Do Nothing



Employer's
Default

***Usually a Balanced Account**

Approx. 70% Growth Assets

Approx. 30% Defensive Assets

Personal Choice



Personal
Choice

...

Seek Personal
Advice with a
Professional



Employer Contributions to Superannuation – 11%



Australian Government
Australian Taxation Office

1 July 2023 – 30 June 2024	11.00
1 July 2024 – 30 June 2025	11.50
1 July 2025 – 30 June 2026	12.00
1 July 2026 – 30 June 2027	12.00
1 July 2027 – 30 June 2028 and onwards	12.00

Example:

For every \$1,000 of wages paid (before tax), the employer will add \$110 to the employee's super account





What Impacts Your Choices?

- Your Age: length of working life
- Your Risk Profile: how comfortable you are with volatility and investment risk
- Timeframe: how long before you intend to and/or you will be able to access your funds

When can I Access my Super?

- <\$200 balance
- After age 65
- Reached “preservation age” and retired-Work intention <10 hrs/week
 - *Preservation age? If born after 1 July 1964, age 60
- Aged 60 – 64 and an “employment arrangement” has ceased
- “Transition to Retirement” arrangement
- Early Access - *exceptional* circumstances:

Incapacity, terminal illness, severe financial hardship, compassionate grounds (e.g. medical treatment, modifications, funeral expenses, save the family home from a forced sale)

NOTE: COVID access was likely a once-off





How can I use my Superfund?

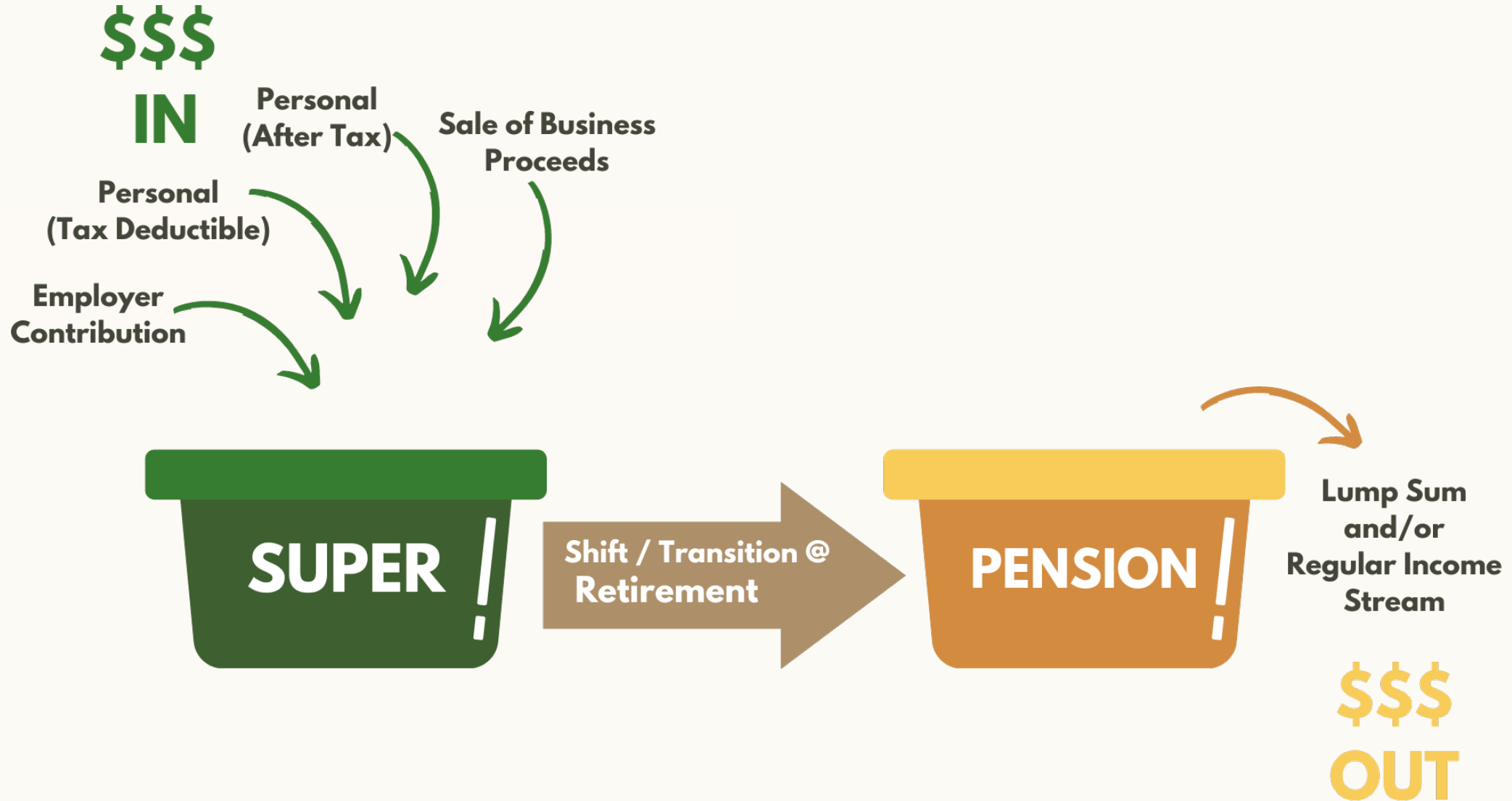
- Savings for Retirement
- Tax Management
- Holding Insurance Cover
- Saving a Deposit for 1st Home
- Emergency Access
- Estate Planning (after death)



Saving for Retirement



How Does it Work?





Tax Management



Australian Government
Australian Taxation Office

Personal Tax Rates

NOTE: Talk with an Accountant or Financial Planner to find out what's best for your circumstances

Resident tax rates 2023–24

Taxable income	Tax on this income
0 – \$18,200	Nil
\$18,201 – \$45,000	19c for each \$1 over \$18,200
\$45,001 – \$120,000	\$5,092 plus 32.5c for each \$1 over \$45,000
\$120,001 – \$180,000	\$29,467 plus 37c for each \$1 over \$120,000
\$180,001 and over	\$51,667 plus 45c for each \$1 over \$180,000



Holding Insurance Cover

Usual Types of Insurances Within Super

- Death (a.k.a Life) cover
- Total & Permanent Disability (“TPD”)
- Income Protection (a.k.a. Salary-Continuance)
Example: \$3,000 per month, 60 day waiting period, benefit payable for 2 years.

NOTE: Yes, you can apply for more insurance cover.

Caution

- Low balances
- Age under 25
- Inactive 16 months
- Closing / consolidating multiple superfunds cancels cover
- Have you nominated a Beneficiary?

Premiums for the insurance are paid from your super balance.



Super & Insurances



Saving a Deposit for 1st Home



First Home Super SAVER Scheme (“FHSS”)

**Never
Heard of It?**

**Introduced 1
July 2017**

Purpose?

“Allows super members to save for a first home deposit using their superannuation account”

Be over age 18 when applying, and must be a first-home buyer, intending to live in the property



Early Access

Early Access- Exceptional Circumstances

- Incapacity
- Terminal Illness
- Severe Financial Hardship
- Compassionate Grounds (e.g. medical treatment, modifications, funeral expenses, save the family home from a forced sale)





Estate Planning



Super & Death Benefits (Estate Planning)

A Simple Nomination Form for each Superfund

- Non-binding vs Binding nomination
- *Caution:* Only certain people are valid nomination

Relationship	
<input type="checkbox"/>	Spouse
<input type="checkbox"/>	Child
<input type="checkbox"/>	Interdependant
<input type="checkbox"/>	Financial dependant†
<input type="checkbox"/>	Legal personal representative (executor or administrator of your estate)



Estate Planning Basics

What is it?

Estate Planning makes it easier for individuals to ***indicate their wishes*** before and after they die.



**An ESTATE involves everything you own/have,
so almost everyone has an “estate”.**

EXAMPLES:

- Car
- Home (& other real estate)
- Bank accounts
- Superannuation (subject to nomination)
- Guardian for children
- Furniture & personal possessions
- Investments
- Life insurance
- Business Assets and Intellectual Property



Before Death



Financial
Power
of Attorney



Medical
Power of
Guardianship



A "Living Will"

YOUR WILL



Your Will can Cover Things Like:

- How you want your assets shared
- Who will look after your children if they're still young
- Plans for your funeral
- How much money you'd like to give to charities
- Any Trusts you want set up upon death
- Business owner? your company shares and intellectual property

What is not Included in a Will?

What lies **outside** a Will...

- Assets which are **not** in your name only
e.g. joint bank accounts, a home owned in joint names or “tenants-in-common”
- Superannuation (unless nominated to the Estate)
- Life insurances or other policies with a nominated beneficiary





What if there is NO Will? ... “Intestacy”

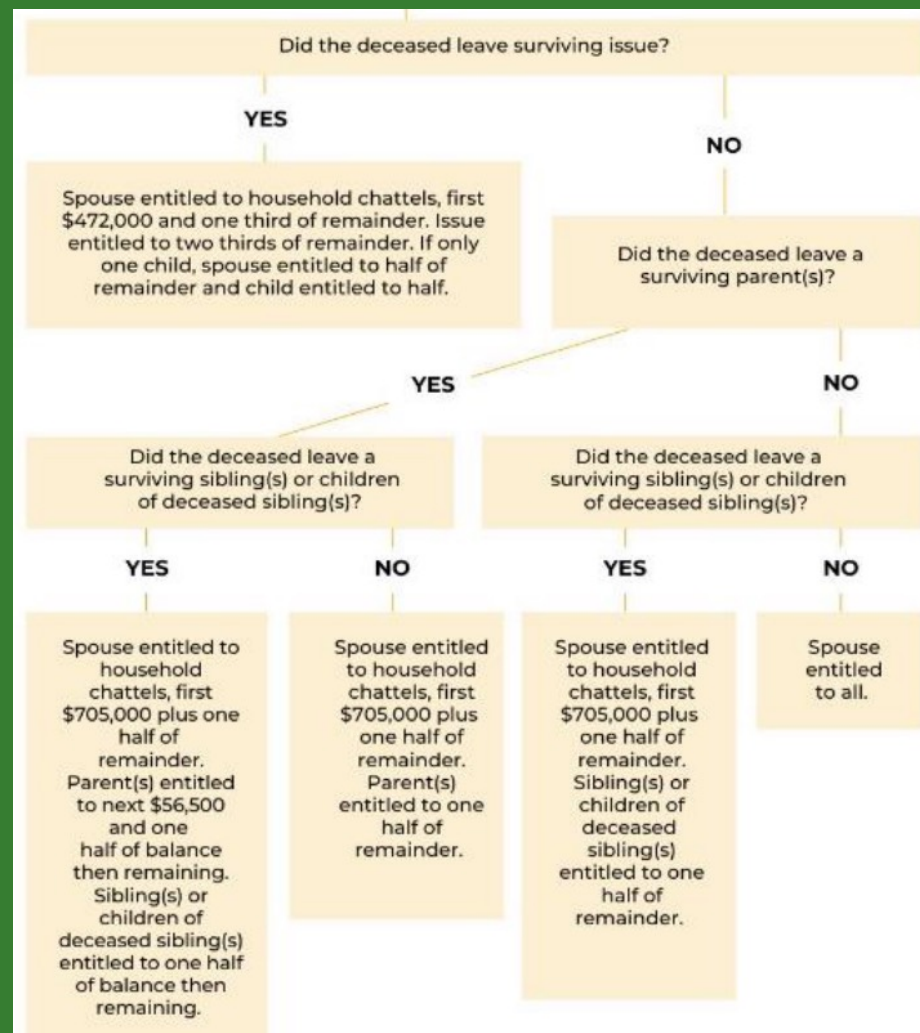
If you die without a Will (i.e. you die intestate), for your family there may be upsetting and frustrating delays
AND
the law decides who will get your assets —
and this may not be who you wanted.

NOTE: If an Aboriginal or Torres Strait Islander person dies without a Will, the WA Public Trustee automatically becomes the default Executor of the Estate.





WA Law – No Will & YES, there is a spouse





WA Law – No Will & NO, there is not a spouse



When to Review your Will?



- Marriage or Divorce can negate the old Will
- A change in family relationships
- Death/s in one or more of your beneficiaries
- A significant change in assets
- Location change – interstate?
Moved away from Australia?
- You've started a business
- Every 3 – 5 years

- ❑ Complete your superfund nomination form
- ❑ Watch out for “Community Will Days”
- ❑ Gather your thoughts Complete a **free** Will Instruction Sheet
[Google This: Preparation of Will | Instruction Sheet | The Salvation Army Australia](#)
- ❑ Contact a local lawyer and ask about pricing (Will & Power of Attorney)
- ❑ Aboriginal Legal Service (ALS) and/or Aboriginal Family Legal Service (AFLS) may be able to assist (as at Feb 2023)
- ❑ Consider a Will Kit – then get legal advice to check it
[Google This: DIY will kits – how to draft your own will | CHOICE](#)

NOTE:

Store your Will in the “WA Will Bank”, or in a safe place, & tell loved ones where it is



What Can I do Now?