

Super facts on the benefits of contributing to super

TelstraSuper

Contributing to your super is vital, especially if you want to maintain your current lifestyle in retirement.

Importance of contributions

With experts suggesting that your employer's 9% Superannuation Guarantee contributions are insufficient to maintain your lifestyle in retirement, you should consider what you need to do to boost your super.

It's easy to be intimidated by the large balances we're told that we'll need in retirement, but it needn't be that way. Paying a bit of attention to your super strategy now, may save you concerns in the future.

As a general rule you'll need between 60% and 80% of your final annual salary to maintain your current lifestyle in retirement. Your employer's contributions to super are unlikely to achieve this. Therefore making your own contributions are vital.

It's important to get on top of your savings strategy now, rather than trying to play catch up later.

You can use the handy 'Telstra Super Simulator' on our website at www.telstrasuper.com.au. This interactive calculator is designed to estimate your total retirement income including your projected super balance, income from the age pension and non-super investments as well as your partner's details. This enables you to clearly assess your estimated financial position in retirement and what you may need to do to keep your savings on track.

Types of contributions

Generally contributions fall into two categories, pre-tax contributions and post-tax contributions. Your contribution strategy should be tailored to reflect your own circumstances and needs; there is no 'one size fits all' when it comes to determining a contribution strategy.

Our factsheet entitled 'A guide to making the right kind of contributions' can help you to understand the difference between various contribution types and the incentives each of them may offer you.

You can also use our 'Pre-tax vs post-tax contributions calculator' at www.telstrasuper.com.au to help determine what strategy would best suit you. Alternatively you can call **1300 033 166** to arrange a financial planning appointment.

Easy to use calculators

Visit Tools & Forms section of our website at www.telstrasuper.com.au and use some of our interactive calculators such as:

- Telstra Super Simulator
- Pre-tax vs post tax contributions calculator
- Government co-contribution calculator
- Spouse tax offset calculator.

The sooner you contribute, the better

The benefits

The benefits of topping up your super with your own contributions can be significant.

You could build yourself a larger retirement benefit and increase the chances of being able to maintain your current lifestyle.

The earlier you start contributing the better. Not only do regular contributions over a long period give your super more of a boost, you are more likely to benefit from compound interest over time. The longer your money is invested the better off you're likely to be as the example below shows.

The early bird catches the worm

Consider three people aged 25, 35 and 45. Each person decided to make post-tax contributions of \$20 per week to their super. Take a look at how much of a boost an early contributor could achieve on their final retirement balance.

Age contributions commenced	25	35	45
Weekly contribution amount	\$20	\$20	\$20
Total amount contributed to age 65	\$41,600	\$31,200	\$20,800
Estimated boost to retirement savings	\$229,004	\$106,298	\$45,335

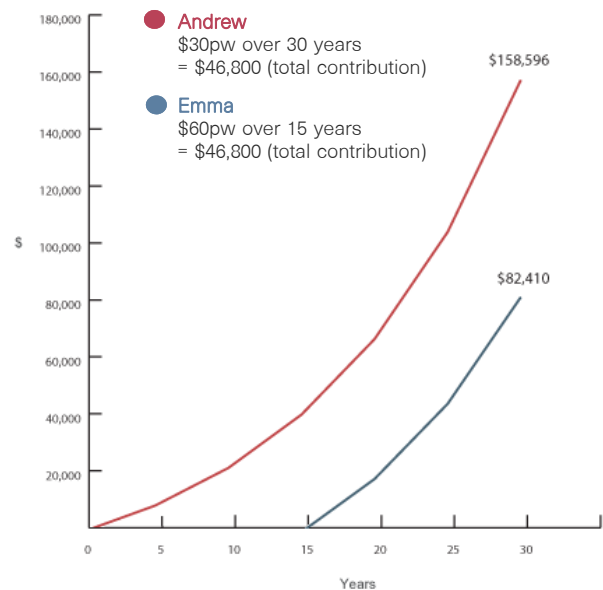
Future performance is not guaranteed.

Assumptions: Based on weekly unchanging contributions of \$20 post-tax to age 65, investment return of 7%, retirement age of 65. Not discounted to today's dollars. No fees, taxes or withdrawals have been taken into account. Assumes zero balance at commencement.

Don't play catch-up

Andrew has decided to contribute \$30 each week to his super, for the next 30 years, until he retires. Emma thinks she is too young to worry about contributing to super.

Fifteen years later, Emma realises that to achieve the lifestyle she wants in retirement she will need to boost her super. Emma contributes twice the amount that Andrew is contributing each fortnight. However due to the compound returns attained during Andrew's years of contributing, Emma may never catch up to achieve the same balance as Andrew, even though they both contributed the same amount overall.*



Source: Telstra Super Financial Planning*

How to contribute

Contributing to your Telstra Super account is simple, contributions can be made by cheque or BPAY®. Visit www.telstrasuper.com.au to download the relevant contribution form using our handy 'Find a form tool', or call **1300 033 166** to obtain your personalised BPAY payment reference number.

* Assumes interest rate of 7% pa. Not discounted to today's dollars. \$60 per week invested at 7% pa over 15 years compounding vs \$30 per week invested at 7% pa over 30 years compounding. No fees withdrawals or taxes are taken into consideration.

This information is general advice only and does not take into account your individual objectives, financial situation or needs. Before acting on any advice you should assess whether it is appropriate for you and consider talking to a financial adviser. Before making any decision about acquiring any product, you should obtain and review its product disclosure statement, available at www.telstrasuper.com.au or by calling 1300 033 166.

BPAY® is registered to BPAY Pty Ltd ABN 69 079 137 518.
© Telstra Super Pty Ltd, ABN 86 007 422 522, AFSL 236709, is the trustee of the Telstra Superannuation Scheme (Telstra Super) ABN 85 502 108 833.
07/1210



Call

1300 033 166
8.00am to 5.30pm (Melbourne time)
Monday to Friday



Fax

03 9653 6060



Web

www.telstrasuper.com.au



Write

Telstra Super Pty Ltd
PO Box 14309
MELBOURNE VIC 8001



Visit

Telstra Super Member Centre
Foyer, 242 Exhibition Street
MELBOURNE VIC 3000