

# Super facts for the self-employed

TelstraSuper

If you are self-employed there are great tax incentives to save for your retirement through super.

## Why should I contribute to super?

If you are self-employed, the only person who will take responsibility for your retirement savings is you. Research has shown that the Government regulated 9% Superannuation Guarantee for employees may not be enough to fund a comfortable lifestyle. So as a self-employed person, without the regulated Superannuation Guarantee contributions, it is even more important that you put money aside for your retirement.

Even though you do not have to contribute to super, there are now bigger incentives to make it worth your while.

## Why Telstra Super Personal Plus?

*Telstra Super Personal Plus* is a low-cost super product for building your super savings. It offers true value for money with an extensive range of membership benefits including financial planning advice at no additional cost through Telstra Super Financial Planning Pty Ltd.

This means that you can work with a planner to ensure that you are on track to achieve your retirement goals throughout your working life. And if at anytime you start working for an employer, there is no need to change super funds; *Telstra Super Personal Plus* is able to accept contributions from any employer.

## Claiming a tax deduction

You can claim a tax deduction for 100% of contributions made into super as a substantially self-employed individual.

You are considered a substantially self-employed individual if your assessable income, reportable superannuation contributions\* and reportable fringe benefits from eligible employment are less than 10% of your total assessable income.

It is easy to claim a tax deduction with *Telstra Super Personal Plus*, just indicate the amount you wish to claim on the Member and Spouse Contribution form when you are making your contribution.

To claim a deduction for a super contribution you have already made, contact Telstra Super at the time you are lodging your tax return, or by the end of the financial year following the year in which the contribution was made - whichever is earlier.

Example: If you made a post-tax contribution to your *Telstra Super Personal Plus* account on 10 June 2011 you have until either 30 June 2012 or when you lodge your 2010/2011 tax return to notify Telstra Super of your intent to claim a tax deduction - whichever date occurs first.

Limits apply to the amount of contributions you can make annually that are taxed at the concessional rate of 15%. See the table overleaf for details.

## Making a contribution and claiming a deduction

To contribute to your *Telstra Super Personal Plus* account:

- complete a Member and Spouse Contribution form available on our website at [www.telstrasuper.com.au](http://www.telstrasuper.com.au) and return it together with your contribution cheque made payable to Telstra Super Pty Ltd – if you are claiming a tax deduction, indicate this on the self-employed declaration.
- make a post-tax contribution through your financial institution with BPAY®. Use our online BPAY number generator to determine the biller code and unique payment reference number for the contribution you wish to make. If you intend to claim a tax deduction for the post-tax BPAY contribution you will need to complete the self-employed declaration of the Member and Spouse Contribution form and return it to Telstra Super after you have made the payment.

If you need to make a variation to a previous notification of intent to claim a tax deduction, you must complete a Deduction for personal super contributions form (NAT 71121) issued by the Australian Taxation Office (ATO). To obtain a copy you can call Telstra Super on **1300 033 166** or visit the ATO website [www.ato.gov.au](http://www.ato.gov.au)

If you have not notified Telstra Super of your intent to claim a tax deduction during the financial year in which the contributions were made, you will need to complete the ATO form specified above before the end of the subsequent financial year.

## Qualify for the Government co-contribution

Self-employed members who make post-tax contributions to their super are eligible for Government co-contributions. Provided you earn less than \$61,920 in the 2011/2012 financial year, you may be entitled to receive co-contribution payments from the Government.

Eligible members earning \$31,920 or less per year will have each dollar of their personal contributions matched by \$1.00 from the Government, up to a maximum entitlement of \$1,000. For those on incomes over \$31,920 pa the benefit works on a sliding scale, phasing out at an income of \$61,920 pa.

You can get an estimate of your potential eligibility for the Government co-contribution by using our online Government co-contribution calculator, available at [www.telstrasuper.com.au](http://www.telstrasuper.com.au)

### Income calculation for Government co-contribution scheme:

Assessable income for the individual

plus

Reportable Superannuation Contributions

plus

Reportable fringe benefits, if any

less

Deductions as a result of carrying on a business

equals

Income for co-contribution purposes

	Self-employed or personal deductible contributions
<b>Making contributions:</b> up to age 65	Yes, subject to provision of Tax File Number (TFN)
age 65 - 69	Yes, subject to provision of TFN and work test rules†
age 70 - 74	Yes, subject to provision of TFN and work test rules†
age 75 and over	No, unless 28 day rule can be applied‡
<b>Contribution limits (taxed at the concessional rate each financial year)</b>	\$25,000§ (under age 50) \$50,000§ (if aged 50 and over until 30 June 2012)
<b>Contributions tax payable</b>	15% if within the limits above and TFN supplied 46.5% if TFN not supplied or for contributions made above the pre-tax contribution limit
<b>Tax deduction available</b>	Yes, 100% of the contributions up to age 75 can be claimed as a tax deduction#

\* Reportable superannuation contributions include superannuation contributions made by the way of salary sacrifice and any deductions claimed on those contributions.

† You must be gainfully employed for at least 40 hours in a consecutive 30 day period in the financial year in which you make the contribution.

‡ You may contribute if you meet the work test rules above\* and the contribution is received by the fund within 28 days after the end of the month in which you turn 75.

§ The contributions cap is indexed annually.

# Subject to eligibility.

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 or acquiring any product you should obtain and review the product disclosure statement available at [www.telstrasuper.com.au](http://www.telstrasuper.com.au) or by calling 1300 033 166.

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### Call

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8.00am to 5.30pm (Melbourne time)  
Monday to Friday



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