

Maximise your defined benefit

TelstraSuper

Make the most of your *Telstra Super Division 2* Defined Benefit by being smart about your contribution strategy.

How *Telstra Super Division 2* works

Your defined benefit formula is based on your length of membership, your accrual percentage and your Final Average Salary (FAS). Your FAS is worked out when you leave Telstra as the average of your last three years Superannuation Salary at your birth date.

The defined benefit component of your *Telstra Super Division 2* benefit is independent of investment performance, but is influenced by the amount you contribute to your benefit.

Contributing to your super

Your final defined benefit is determined in part by the rate at which you contribute. This is calculated as your accrual percentage, which is an average of your contributions over your entire membership.

You can contribute at a rate between 0% and 10% of your Superannuation Salary towards your Defined Benefit at any time; however an Average Contribution Rate of 5% will attract the maximum amount of Telstra Support (see example over page).

Working together

Telstra Super Division 2 is designed for you and Telstra to work together to reach your retirement goal. By achieving an Average Contribution Rate of 5% of your Superannuation Salary, you will make the most of Telstra's Support and maximise your *Telstra Super Division 2* defined benefit.

The table below shows how the level of Telstra's support will impact your accrual percentage based on your Average Contribution Rate. The greatest amount of Telstra support that can be achieved will not exceed 15%.

Your Average Contribution Rate	Telstra Support	Accrual Percentage
0%	8%	8%
1%	9.4%	10.4%
2%	10.8%	12.8%
3%	12.2%	15.2%
4%	13.6%	17.6%
5%	15%	20%
6%	15%	21%
7%	15%	22%
8%	15%	23%
9%	15%	24%
10%	15%	25%

This is how it works

Sarah leaves Telstra after 5 years of *Telstra Super Division 2* membership. Her FAS is equal to \$40,000 but she has made no contributions to her *Telstra Super Division 2* Defined Benefit so her Average Contribution Rate is 0%, giving her an accrual percentage of 8%.

Sarah's resignation benefit is therefore equal to:

FAS	\$40,000
x <i>Telstra Super Division 2</i> membership	5 years
x Accrual percentage	8%
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Sarah's resignation benefit	\$16,000

However, if Sarah had achieved an Average Contribution Rate of 5% over her *Telstra Super Division 2* membership, giving her an accrual percentage of 20%, her resignation benefit would be equal to:

FAS	\$40,000
x <i>Telstra Super Division 2</i> membership	5 years
x Accrual percentage	20%
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Sarah's resignation benefit	\$40,000

How can I find out what my Average Contribution Rate is?

To find out exactly what your current Average Contribution Rate is, simply call **1300 033 166** and speak to one of our Member Services Consultants.

If you would like financial advice on defined benefit optimisation, investment choice or insurance, call us on the above number and request to speak to a Superannuation Adviser.

Superannuation Advisers are authorised representatives of Telstra Super Financial Planning and provide limited financial advice over the phone at no additional cost to members.

Contribute to suit you

During your life you may have more pressing financial needs than your super. *Telstra Super Division 2* is flexible enough to allow you to catch up for periods when you may not be in a position to contribute to your defined benefit. You can contribute between 0% and 10% at any time.

1. Bridget commenced working for Telstra in February 1999. At this time she was saving for a house deposit and did not want to contribute any of her Superannuation Salary to her defined benefit. In February 2004 Bridget purchased her house so was then in a position to contribute to her defined benefit.

Contribution period	Contribution rate	Average Contribution Rate up to Feb 2004
February 1999 - February 2004	0%	0%

2. As of February 2004, Bridget's Average Contribution Rate was equal to 0%. She chose to contribute to her defined benefit at a rate of 10% of her Superannuation Salary for the next five years, and achieved an Average Contribution Rate of 5%.

Contribution period	Proposed cont. rate	Average Contribution Rate up to Feb 2009
February 2004 - February 2009	10%	5%

3. Once Bridget achieved this rate, she then chose to reduce her contribution rate to 5% of her Superannuation Salary to maintain her 5% Average Contribution Rate.

Contribution period	Proposed cont. rate	Average Contribution Rate at withdrawal
February 2009 until withdrawal	5%	5%

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 by calling 1300 033 166 or visiting our website at www.telstrasuper.com.au. 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. Telstra Super Financial Planning Pty Ltd, referred to in this document as Telstra Super Financial Planning, ABN 74 097 777 725, AFSL 218705. 07/1009



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