

Dealing with redundancy

What you need to know about your super

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What we'll cover today

- Your redundancy payment – how it will be taxed and your ability to contribute it to your super
- What happens to your super?
- What you need to do about your super
- Where to get help

Your redundancy payment

How it will be taxed and your ability to contribute it to your super

Employment Termination Payments (ETP)

examples include:

- amounts for unused rostered days off
- amounts in lieu of notice
- gratuity or “golden handshake”
- invalidity payments

Non-Employment Termination Payments

examples include:

- unused annual leave
- unused long service leave

Employment Termination Payments (ETP) - Tax

Tax free component is made up of:

Australian Taxation Office formula

Tax free portion (equal to \$9,780 plus \$4,891 for each completed year of service)

+

any invalidity amount

+

any pre-July 1983 service amount

Employment Termination Payments (ETP) - Tax

Tax on remaining amount will depend on your age

Age	Amount	Tax payable (max rate)
Under 55	Up to \$195K	32%
	Over \$195K	49%
Over 55	Up to \$195K	17%
	Over \$195K	49%

Tax on the non ETP amounts is as follows:

Payment	Tax payable (max rate)
Unused annual leave	32%
Unused long service leave	32%

Rates applicable to 2015/2016 financial year
All rates include Medicare Levy of 2%

Can I contribute my redundancy payment to super?

- Yes – But only as an ‘after-tax’ contribution
- After-tax (non-concessional) contribution limits for 2015/16

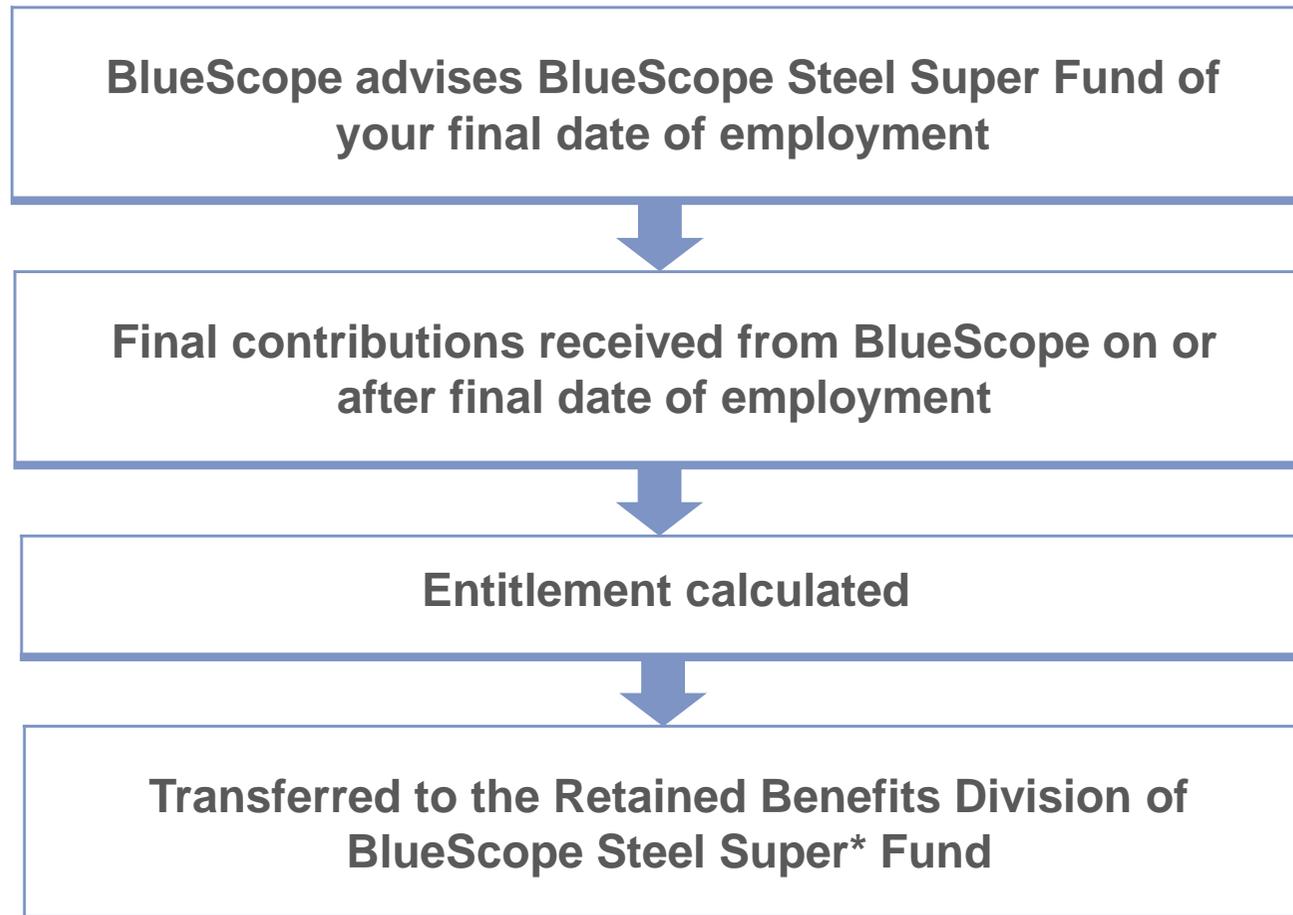
Age	Limit
Under 65	\$180,000 - able to “bring forward” 2 years
65+	\$180,000 [^]

[^] Need to meet work test.

What happens to your super?

You can remain a member of one of Australia's largest corporate super funds

BlueScope Steel



*Account balances less than \$2,000 are transferred to the nominated ERF: Colonial SuperTrace

BlueScope Steel Super Retained Benefits Division

Can accept

- Personal (after-tax)
- Government co-contribution
- Rollovers from other funds

Maintain your existing death cover

Same people managing administration and investments

Website and helpline remains unchanged

Continue your existing investment strategy

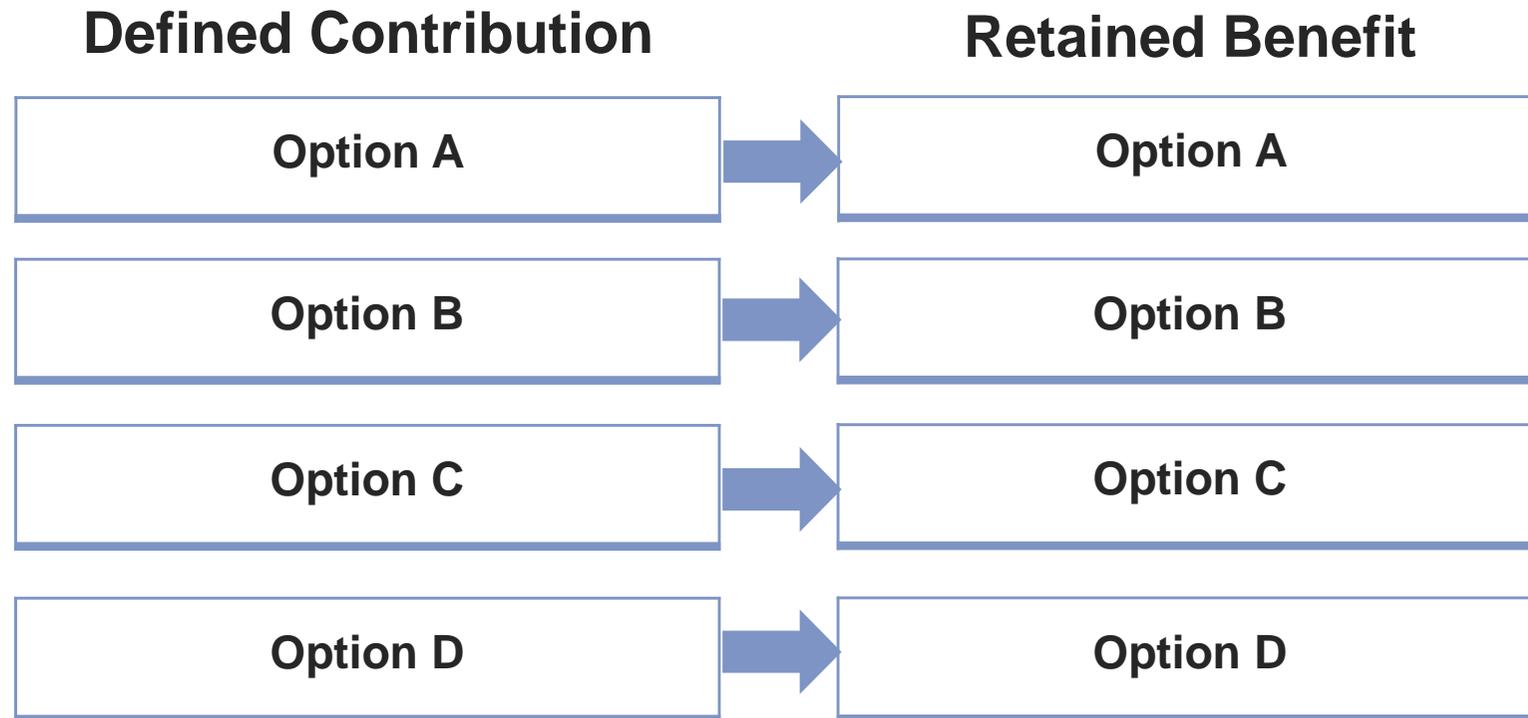
Fees in the Retained Benefits Division

Type of fee	Amount
Investment management fee	0.02% - 0.45% p.a.
Administration fee	0.70% p.a. *
Establishment fee	Nil
Contribution fee	Nil
Withdrawal	Nil
Switching fee	Nil

* Administration fee (0.70%) does not apply for the first 2 months of joining the Retained Benefits Division

Administration fee capped at \$2,000 p.a.

Investment options on transfer



Access to your super

Accessing your Super

Unrestricted non-preserved benefit

Generally payable at any time

Restricted non-preserved benefit

Generally payable on termination of employment

Accessing preserved superannuation

In order to access preserved superannuation you must meet a “condition of release”:

- hardship and compassionate grounds
- death or totally and permanently disabled
- reach age 65
- ceased employment after age 60
- reached your preservation age, ceased employment and intend never to be gainfully employed again

Reached preservation age?

Date of birth	Preservation age
Before 1 July 1960	55
1/7/1960 - 30/6/1961	56
1/7/1961 – 30/6/1962	57
1/7/1962 – 30/6/1963	58
1/7/1963 – 30/6/1964	59
After 30 June 1964	60

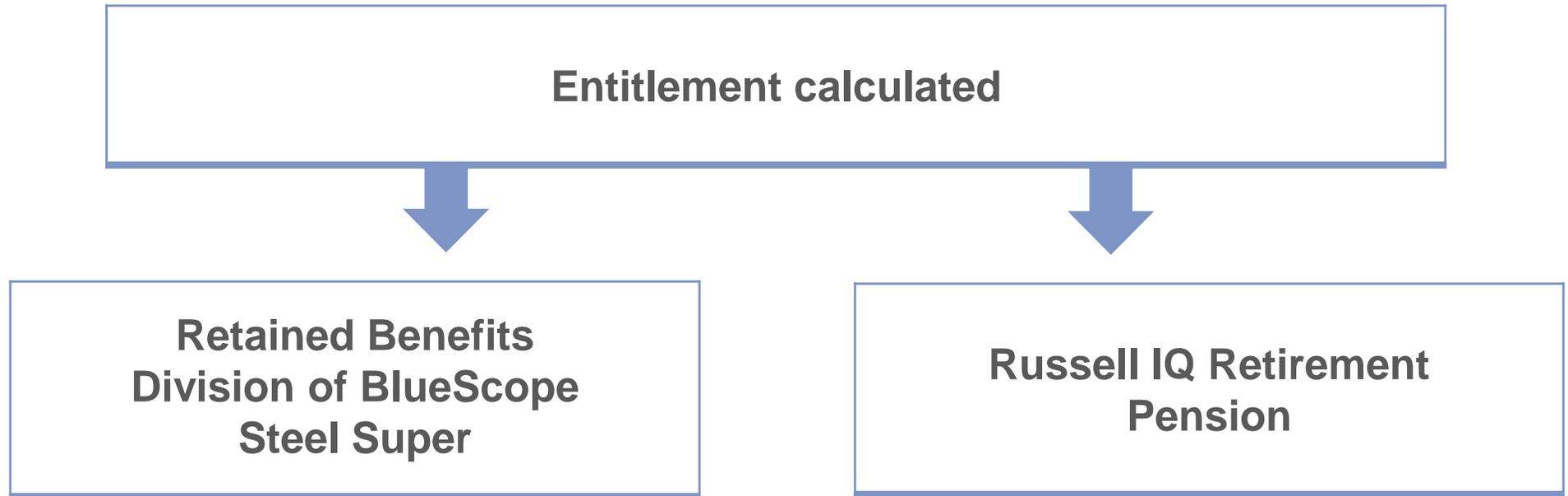
- If you have reached your preservation age you have access to the Russell IQ Retirement Pension

Tax payable on accessing your super

Age	Payment type	Tax free component	Taxable component for 2015/16
55 - 59	Lump sum	0%	0% < \$195K 17% > \$195K
	Income stream	0%	<ul style="list-style-type: none"> Taxed at marginal tax rate 15% tax offset is available
60+	Lump sum	0%	0%
	Income stream	0%	0%

Pension considerations if you are
at least 55 years old

BlueScope Steel Super - over 55



Russell iQ Retirement – Retire on your terms



**Award-winning
investments**



**Cost effective
pension
solution**



**Retire on your
terms**

Advantages of an Account-Based Pension

Ability to fully access your pension account

Investment earnings are tax-free

Lump sum payments are tax-free for members from age 60

Regular payments are:

- Tax-free for members from age 60
- Taxable component is eligible for 15% tax rebate for members aged 55 to 59*

* No tax payable on tax-exempt component

Do I need to do anything?

What happens on transfer?

Automatically transferred to Retained Benefits Division account:

- Account balance
 - Insurance arrangements
 - Investment strategy
 - Nominated beneficiaries
-
- Administration fee (0.70%) does not apply for the first 2 months of joining the Retained Benefits Division

What do I need to do?

You don't need to do anything

Things you might like to consider:

- Consolidate other super
- Review your investment strategy
- Review your nominated beneficiaries
- Seek assistance

We're here to help...



Dedicated client service

SuperConnect: 1300 130 434



Financial advice

Adviser Referral Program



Online access to your account and tools

www.bluescopesteelsuper.com.au

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Questions?