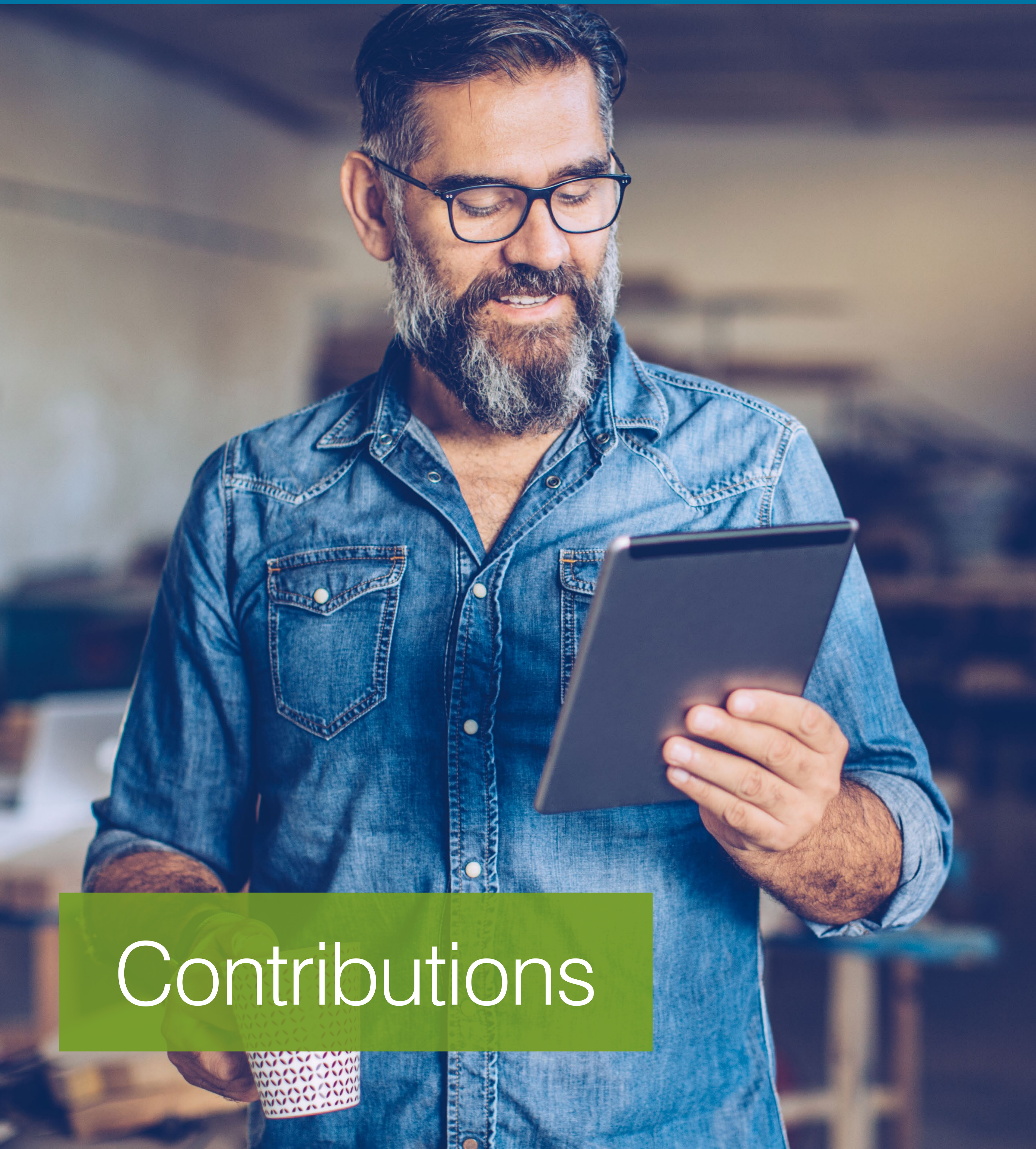
AUSTRALIAN CATHOLIC SUPERANNUATION RETIREMENT FUND

1 July 2018

SUPER FACTSHEET

The information in this document forms part of the Australian Catholic Superannuation and Retirement Fund Superannuation Plan Product Disclosure Statement dated 1 May 2018.



Contributions

Concessional and non-concessional contributions

Contributions to super can be either concessional or non-concessional.

Concessional (pre-tax) contributions include employer contributions, salary sacrifice contributions and personal contributions for which you intend to claim a tax deduction. Non-concessional contributions are after-tax contributions.

Contribution limits

There are limits (called contributions caps) to the amount you can contribute to super before a tax penalty will apply to any amount that exceeds these caps. Details are shown in the table below.

Note: it is your responsibility to ensure that you do not exceed the caps. If you exceed either cap, the Australian Taxation Office will contact you.

<table>
<tr><th></th><th>Concessional contributions limit (Employer, pre-tax and deductible)</th><th>Non-concessional contributions limit (Member after-tax)</th></tr>
<tr><td>Annual contributions cap</td><td>$25,000 (2018/2019 financial year).

From 1 July 2018, you may be able to ‘carry-forward’ any unused amount of your concessional contributions cap. You will be able to access your unused concessional contributions cap on a rolling basis for five years. Amounts carried forward that have not been used after five years will expire. You will only be able to carry-forward your unused concessional contributions cap if your total superannuation balance at the end of 30 June of the previous financial year is less than $500,000.

The first year in which you can access unused concessional contributions is the 2019/2020 financial year.</td><td>$100,000

(Does not include the Government co-contribution).

If you are under age 65 at any time during a financial year, you may be eligible (depending on your total superannuation balance) to contribute up to $300,000 in that financial year. Doing this will reduce your non-concessional contributions cap for the next two financial years.

<table>
<tr><th>Total superannuation balance on previous 30 June</th><th>Total non-concessional contribution</th></tr>
<tr><td>Less than $1.4 million</td><td>$300,000 - over a period of 3 years</td></tr>
<tr><td>$1.4 million to less than $1.5 million</td><td>$200,000 - over a period of 2 years</td></tr>
<tr><td>$1.5 million to less than $1.6 million</td><td>$100,000 - No bring-forward period, general non-concessional contributions cap applies</td></tr>
<tr><td>$1.6 million</td><td>nil</td></tr>
</table>

Transitional rules apply if you have triggered the bring-forward period in 2015–16 or 2016–17 financial years but you have not fully used your bring-forward amount before 1 July 2017. For further information visit www.ato.gov.au</td></tr>
<tr><td>Contributions tax (paid by the Fund, so the tax is deducted from your contribution)</td><td>15% (30% if your income including concessional contributions is $250,000 or more).</td><td>Nil</td></tr>
<tr><td>Additional tax on amounts above the cap</td><td>The excess contributions will be included in your assessable income and taxed at your marginal tax rate. You will receive an offset of 15% to compensate for the contributions tax already paid. Interest will be charged on any additional tax.

You will have the choice of withdrawing up to 85% of the excess contributions. Any amount you don’t withdraw will count towards your non-concessional cap.</td><td>Generally, excess contributions will be taxed at the top marginal rate. This will not occur if you choose to withdraw the excess contributions and 85% of the associated earnings (as approximated by the ATO).

If you choose the withdrawal option, the associated earnings will be included in your assessable income and taxed at your marginal rate, less a tax offset of 15%.</td></tr>
<tr><td>Exemptions from the cap</td><td>Nil</td><td>Proceeds from the disposal of eligible small business assets up to a lifetime limit ($1,480,000 for 2018/2019 financial year); and proceeds from a settlement for an injury resulting in permanent disablement.</td></tr>
</table>

Age limits on contributions

Compulsory employer contributions may be made at any age. The following limits apply if you are aged 65 or over:

- Voluntary employer contributions (including salary sacrifice contributions) can be made until you turn 75, provided you have worked at least 40 hours in a period of not more than 30 consecutive days in the financial year;
- Member (after-tax) contributions can be made until you turn 75 provided you have worked at least 40 hours in a period of not more than 30 consecutive days in the financial year;
- The only contributions that can be made if you are aged 75 or more are compulsory employer contributions.

There are no age limits on rollovers (i.e. transfers) into your account.

When will my contributions be allocated?

Your contribution will be allocated to your account effective the day the Fund receives it.

Spouse contributions

You can make after-tax contributions on behalf of your spouse provided your spouse is under age 65.

If your spouse is aged 65–69, they must have worked at least 40 hours in a period of not more than 30 consecutive days in the financial year. You cannot make after-tax contributions on behalf of your spouse if your spouse is aged 70 or more.

Splitting contributions with your spouse

You can split your superannuation contributions with your spouse. However, you cannot split your existing account balance.

The maximum amount that you can transfer to your spouse for a financial year is the lesser of:

- 85% of your concessional contributions, and
- the concessional contribution cap.

You must make the application to split in the financial year after the contributions were made.

You must be able to demonstrate that your spouse has not yet reached their preservation age (see the Conditions of release fact sheet), or has reached their preservation age and is below age 65, but not yet retired.

The amount you split can be paid into your spouse's existing or new account in the Fund or transferred to another fund. If we need to establish a new account in the Fund for your spouse, you must transfer at least $1,500. There is no minimum amount if your spouse is already a member of the Fund.

You can download a Contribution splitting application form from our website.

Government co-contributions

If you are a low or middle income earner and you make non-concessional (after- tax) contributions to super, you may qualify for a Government co-contribution of up to $0.50 for each dollar you contribute.

You may receive the maximum co-contribution of $500 if your income is no more than the lower income threshold ($37,697 for the 2018/2019 financial year) and you make a $1,000 contribution. The amount of the co-contribution reduces as your income increases and you will not receive a co-contribution if your income equals or exceeds the higher income threshold ($52,697 for the 2018/2019 financial year).

To be eligible to receive a co-contribution, you must:

- Make after-tax contributions to a complying superannuation fund or retirement savings account during the financial year;
- Have total income (assessable income plus reportable fringe benefits plus reportable employer superannuation contributions) of less than the higher income threshold for the financial year;
- Earn 10% or more of your total income from eligible employment or carrying on a business or a mixture of both;
- Not hold a temporary resident visa at any time during the financial year;

- Lodge an income tax return for the financial year;
- Be less than 71 years old at the end of the financial year;
- Have a total superannuation balance of less than $1.6 million on 30 June of the year before the contributions are made; and
- Not have contributed an amount more than your non-concessional cap for the financial year.

You do not need to apply for the co-contribution as the ATO will assess if you are eligible, using information obtained from your super fund and from your income tax return. Any co-contribution will be paid to your superannuation account, generally in the financial year after you made the relevant contributions. Contact us or the ATO on 132 861 for further details.

Impact of bankruptcy

In some circumstances, super contributions made prior to bankruptcy can be declared void. This basically applies to out-of-character contributions made to defeat creditors. It does not apply to normal superannuation guarantee contributions or to regular pre-existing salary sacrifice contributions.

We may be required to freeze any void contributions and, in some cases, pay the void contributions to the trustee in bankruptcy. As the value of the void contributions cannot be reduced if investment returns are negative, to avoid any disadvantage to other members, any contributions to us that are subject to a freezing notice will be placed into the Cash and Term Deposit option.

How to contribute

You can arrange with your employer to make salary sacrifice or after-tax contributions on your behalf. Alternatively, you can make after-tax contributions by BPAY, direct debit, EFTPOS or cheque. Details are on our website at: **www.catholicsuper.com.au/contribute**

First Home Super Saver Scheme

The First Home Super Saver (FHSS) Scheme allows you to save money for your first home inside your superannuation fund.

From 1 July 2018, if you are 18 years of older and you meet the eligibility criteria, you can apply to the Australian Taxation Office to release your voluntary concessional contributions (salary sacrifice contributions or contributions for which a tax deduction has been claimed) and non-concessional (after tax) contributions you made from 1 July 2017 plus any associated earnings to help you purchase your first home.

The maximum voluntary contributions you can apply to be released under the FHSS scheme is $15,000 in any one financial year up to a total of $30,000 across all financial years.

To access an amount from your superannuation fund you need to apply to the Commissioner of Taxation for a FHSS determination and a release. The amount you can withdraw, subject to the yearly and total limits:

- 100% of your non-concessional (after-tax) amounts
- 85% of concessional (pre-tax) amounts.

The Australian Taxation Office administers the FHSS. The money released from your superannuation account will be transferred to the ATO and the ATO pays the money to you.

For details of the terms and conditions on the FHSS please visit **www.ato.gov.au**.

Family Home Downsizing

From 1 July 2018, if you are 65 years old or older and meet the eligibility requirements you may be able to contribute up to $300,000 as an individual or up to $600,000 as a couple from the proceeds of selling your family home, without meeting the work test.

Eligibility criteria

You may be eligible to make a downsizer contribution if you meet all of the following:

- you are 65 years old or older
- your home is in Australia and is not a caravan, houseboat or other mobile home

- your home was owned by you and or your spouse for 10 years or more prior to the sale
- the amount you are contributing is from the proceeds of selling your home, where the contract of sale was exchanged on or after 1 July 2018
- the proceeds (capital gain or loss) from the sale of the home are either exempt or partially exempt from capital gains tax (CGT) under the main residence exemption, or would be entitled to such an exemption if the home was a CGT rather than a pre-CGT (acquired before 20 September 1985) asset
- you provide the completed downsizer contribution form (available from the ATO website) to your superannuation fund(s) either before or at the time of making your downsizer contribution
- you make your downsizer contribution within 90 days of receiving the proceeds of sale, which is usually the date of settlement. (You can apply to the ATO for an extension).
- you have not previously made a downsizer contribution to your super from the sale of another home.

General Information

Downsizer contributions;

- Are not a non-concessional contribution
- Do not count towards your contributions cap
- Can still be made if your total super balance is greater than $1.6 million
- Do not affect your total super balance until it is re-calculated to include all your contributions, including your downsizer contributions, on 30 June at the end of the financial year
- Count towards your transfer balance cap (The cap that applies when you move your super savings into retirement phase.)
- Are not tax deductible
- Count towards the eligibility for the age pension

As this is a significant decision, we recommend you seek advice before taking any action. For further information, refer to **www.ato.gov.au**

If you would like a hard copy of this Fact Sheet, you can print directly from the website or you can contact us on 1300 658 776 and we will send you a copy at no cost.

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