

Superannuation Savings Account

Super. Simple. Guaranteed.

Tax and other information brochure
November 2011



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Important information

This brochure is issued by:

Commonwealth Bank of Australia

ABN 48 123 123 124 AFSL 234945 ('Commonwealth Bank', 'we', 'us' or 'our')

The contact details for Commonwealth Bank are set out on page 10 of this brochure.

Commonwealth Bank Superannuation Savings Account ('Superannuation Savings Account' or 'Account'), is a retirement savings account established and maintained pursuant to the terms of the Retirement Savings Account Act 1997 ('the Act'). Any future changes to the Act or the regulations under that Act may result in changes to the terms and conditions set out in this brochure.

Superannuation Savings Account is offered and capital guaranteed by Commonwealth Bank.

Superannuation Savings Account is administered by the Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035 ('CMLA'), a wholly owned subsidiary of Commonwealth Bank. CMLA also provides insurance benefits available through the Superannuation Savings Account.

To the extent that information in this brochure relates to CMLA, CMLA has given and not withdrawn its consent to the provision of that information and has consented to be named in this brochure.

This brochure is referred to in the Superannuation Savings Account Product Disclosure Statement (PDS). It is an additional reference and contains additional information about the Superannuation Savings Account. It includes:

- a general overview of the tax treatment of superannuation
- other information relating to superannuation, benefit payments and identification requirements.

This brochure is valid until it is replaced by a later version. You should use this brochure to obtain further information about the Superannuation Savings Account.

This brochure is not intended to be read as a document in its own right. The PDS gives an overview of the purpose of the Superannuation Savings Account, the key features and benefits available and the costs, risks and other important aspects of the product, and makes specific reference to the sections of this brochure.

The information in this brochure is general information only and does not take into account your individual objectives, financial situation or needs. You should assess whether the product is appropriate for you and consider talking to an adviser before making a decision.

Unless otherwise stated, page references relate to this brochure.

The PDS consists of two parts, namely:

- Part 1 – General Information
- Part 2 – Latest interest rates

and should be read in conjunction with this brochure. If you have not received both parts please go to any Commonwealth Bank branch or visit commbank.com.au/simplesuper or contact one of our Customer Service Representatives on **13 2015** between 8.30am and 6pm (Sydney time), Monday to Friday.

The brochure including the PDS Part 1 and Part 2 are available free of charge by visiting commbank.com.au/simplesuper, going to any Commonwealth Bank branch or calling one of our Customer Service Representatives on **13 2015** between 8.30am and 6pm (Sydney time), Monday to Friday. Alternatively you can write to: Superannuation Savings Account, GPO Box 3306, Sydney NSW 2001.

Tax

For many people, saving through superannuation is much more tax effective than saving outside superannuation. Earnings, employer contributions and personal contributions for which you claim a tax deduction, are taxed at a maximum of just 15 percent¹ rather than the marginal tax rate applied to your standard income (up to 46.5 percent).

Also, you can accumulate as much money as you like and leave it invested for as long as you like. Generally, any superannuation lump sum and income stream benefits taken after age 60 are tax free.

The information in this brochure provides an overview of the tax rules and other advantages that apply to all superannuation providers and includes the following key topics:

- tax on money going into super
- tax on money taken out of super
- tax concessions and deductions.

¹ Concessional contributions are taxable at the rate of 15 percent provided the concessional contribution cap is not exceeded. The standard concessional contributions cap for the 2011/2012 financial year is \$25,000 for contributors under age 50 (cap is \$50,000 for contributors over age 50). All concessional contributions exceeding the cap are taxed at an additional tax of 31.5 percent (including Medicare levy of 1.5 percent).

Tax on money going into super

Tax on contributions

Contribution types

The rules around how and when contributions can be made to your super and the way that they are taxed depend upon the types of contribution. Contributions can be broadly classified in two categories:

- concessional contributions
- non-concessional contributions.

Concessional contributions

A concessional contribution will be subject to tax. These contributions generally include:

- superannuation guarantee (SG) contributions
- salary sacrifice contributions
- other employer contributions, and
- personal contributions that you're eligible to claim a tax deduction for.

Non-concessional contributions

Non-concessional contributions include contributions made directly by you from after-tax income and any eligible spouse contributions for which you have not claimed a tax deduction.

Concessional contribution cap

Concessional contributions that are made to your account are subject to the following rules:

- There is a standard cap of \$25,000 p.a. for concessional contributions. This threshold is indexed to Average Weekly Ordinary Time Earnings and will only increase when the indexed amount is greater than \$5,000. Concessional contributions over \$25,000 p.a. continue to be taxed at 15 percent in Superannuation Savings Account. However, the Australian Tax Office (ATO) will assess you personally at the rate of 31.5 percent (including Medicare levy of 1.5 percent) on any excess concessional contributions.
- If you are aged 50 and over, higher concessional contributions of up to \$50,000 p.a. can be made on a concessional basis up until 30 June 2012*.

* The government has announced its intention to continue the higher \$50,000 threshold for over 50's with account balances less than \$500,000.

The table below sets out the limits (and arrangements) that apply:

Age of Account holder	Financial year	Concessional contribution limit
Under 50 (standard)	2009/2010 onwards	\$25,000 (indexed)
50 and over	2011/2012	\$50,000
	2012/2013 onwards	The government has announced its intention to continue the higher \$50,000 threshold for over 50's with account balances less than \$500,000. If this does not continue then the limit will return to the standard limit (above).

If you have your super in more than one place, all concessional contributions made to all your funds are added together and count towards the cap.

Non-concessional contribution cap

The non-concessional contribution cap is \$150,000 p.a. for the 2011/2012 financial year. For those aged under 65, you will be able to contribute up to \$450,000 averaged over three years without incurring tax. Your three year averaging period starts in the year in which your contributions first exceed \$150,000.

If you are aged 65 and over you will not be able to average your contributions over 3 years and will only be able to make non-concessional contributions up to \$150,000 p.a. subject to satisfying the work test.

Any contributions received above these limits will be taxed at the highest marginal rate plus Medicare levy.

Monitoring of contribution caps

As an Account holder can have more than one superannuation fund, neither Commonwealth Bank nor CMLA are required to monitor any breach of the contribution caps. CMLA will only keep track of any non-concessional contribution greater than \$450,000 made in a single transaction and will refund any excess (or if you are age 65 or over, any non-concessional contribution greater than \$150,000 made in a single transaction.)

You need to keep track of the contributions made to your superannuation Accounts and the contribution caps applicable to you.

Payment of excess contributions tax

Excess contributions tax is payable when any annual contribution caps have been exceeded in a financial year.

The ATO will send you a Release Authority if they issue you with an excess contributions tax assessment. Release authorities may be used to withdraw the excess contributions tax liability directly from your Account.

Where applicable you should forward the Release Authority to us within the timeframe indicated on the notice so that we can arrange for the excess contributions tax to be paid.

Information on quoting your Tax File Number

If we do not have a valid Tax File Number (TFN) for you or you do not quote it to us, then:

- if your Account was opened before 1 July 2007, it will be taxed at a further rate of 31.5 percent (in addition to the 15 percent contributions tax) on all your employer contributions, if more than \$1,000 of employer contributions have been made to your Account in the financial year
- if your Account was opened on or after 1 July 2007, all of your employer contributions will be taxed at an additional 31.5 percent (including the Medicare levy of 1.5 percent).

We may claim a refund of the additional tax deducted from your Account balance and credit it back to your account balance, if you provide your TFN to us within the following three years.

Please note we are unable to refund the additional tax deducted if you have closed your Account.

Also, if you have not quoted a valid TFN or do not quote it to us within 30 days of making a personal contribution, then the personal contribution will be refunded. In other words, Superannuation Savings Account will not be able to accept any personal contributions made by you or on your behalf, without a valid TFN being provided.

Acceptance of contributions

Generally there is no limit on the amount of contributions which can be made to superannuation. There are, however, limits on the amounts of contributions which can be made and not be subject to excess contributions tax as outlined above.

If you're under age 65 you can contribute or have anyone contribute to your account on your behalf at any time.

If you're aged 65 – 69 you can contribute or have anyone contribute to your account on your behalf at any time, as long as you have been gainfully employed for at least 40 hours in a period of 30 consecutive days during the same financial year in which contributions are made. If you do not meet the rule above then only mandated employer contributions from your employer can be contributed.

If you're aged 70 – 74 you and your employer can contribute to your account as long as you have been gainfully employed for at least 40 hours in a period of 30 consecutive days during the same financial year in which contributions are made and provided that the contributions (other than mandated employer contributions) are received no later than 28 days after the end of the month in which you turn 75 (work test). Your employer is not required to make Superannuation Guarantee contributions after you turn 70, but may do so if you satisfy the work test rules above. Your employer can also contribute to your Superannuation Savings Account if the contribution is a mandated employer contribution.

If you're aged 75 or over your employer can contribute to your Superannuation Savings Account only if the contributions are mandated employer contributions. You can no longer make personal contributions, however you can rollover money from other superannuation funds.

Contribution acceptance limits

In addition to the contribution caps outlined on page 2 which deal with contribution caps for the purpose of tax on contributions, there is a separate cap which deals with the amount of contributions a fund is allowed to accept.

To prevent an Account holder accidentally contributing more than the non-concessional contributions cap there is a limit to the amount of non-concessional contributions an Account holder may contribute in any single contribution.

If you are under 65 on 1 July of a financial year, then each personal contribution you make is limited to three times the non-concessional contributions cap (currently \$450,000).

If you are over 65 on 1 July of the financial year, then each personal contribution you make is limited to the non-concessional cap (currently \$150,000).

To the extent that a single contribution would exceed the above limits, then the excess must be refunded.

For example, Joan is aged 29. Joan has previously provided her fund with her TFN. Joan sends her fund a single member contribution of \$500,000. The most the fund can receive from Joan in a single contribution is \$450,000 so the fund refunds \$50,000 to Joan.

If Joan chose to send her fund 5 contributions of \$100,000 throughout the year the fund would not be required to return any of the contributions.

Note: It is up to Joan to monitor the total contributions she sends to her fund to ensure she does not exceed the contributions cap and become liable for excess contributions tax.

Earnings tax

After any gross interest earned is credited to your Account, government earnings tax will be subsequently deducted at a rate of 15%. The government earnings tax is payable by Commonwealth Bank on all gross investment earnings.

Tax on money taken out of super

Restrictions on when you can get access to your benefits

Superannuation is a long term investment and the retirement savings account law has placed restrictions on when you can get access to your benefits.

Your Account may include 'preserved benefits', 'restricted non-preserved benefits' and 'unrestricted non-preserved' benefits (Please see page 6 for more information).

Lump sum cash payments

If you withdraw your money as a lump sum cash payment, tax may also be deducted and withheld from the benefit paid to you. The amount to be deducted and withheld will depend on your age, and the make-up of your Taxable and Tax-Free components.

Your lump sum benefit in the Superannuation Savings Account is made up of Tax-Free and Taxable components. The component type is determined by the contribution type when contributed, i.e. non-concessional contributions become tax-free components of your lump sum benefit.

Tax-Free component

The Tax-Free component of your lump sum benefit will be exempt from tax.

Taxable component

The remaining portion of your superannuation benefit is the Taxable component.

The Taxable component of your lump sum benefit is taxed depending on your age.

Summary

A summary is provided below. Note all tax rates include the Medicare levy of 1.5 percent.

If you cash your super when you are:	Your benefits will be taxed as follows	
	Taxable component	Tax-Free component
Age 60 or over	Tax-free	Tax-free
Age 55-59	Tax-free up to the low rate cap of \$165,000*; 16.5%* thereafter	Tax-free
Under age 55	21.5%	Tax-free

* This threshold is for the 2011/2012 financial year and is indexed in line with Average Weekly Ordinary Time Earnings (AWOTE) in increments of \$5,000. Please note different tax rates apply where you have not provided your TFN or if you were a temporary resident who has left Australia and your benefit is a 'Departing Australia Superannuation Payment' (DASP).

For further details see "Accessing your benefits" on page 6.

Disability benefit payments

The taxation of lump sum benefits received in the event of Total and Permanent Disability ('TPD') is broadly similar to the tax treatment of retirement benefits except that in some cases, additional tax concessions may apply. For further information about the tax of a disability benefit payment, please consult your Tax Adviser.

Death benefit payments

Under the terms of the product, lump sum death benefit payments are payable to your estate with no tax deducted. The tax treatment of the estate will depend on whether the beneficiary/s is a dependant for tax purposes. It is the estate's responsibility to ensure any tax payable is remitted to the ATO.

Flood levy

From 1 July 2011, the Temporary Flood and Cyclone Reconstruction Levy (Flood Levy) will apply to an individual's taxable income during the 2011-12 income year only.

The flood levy will apply to the taxable income of individuals. This means that superannuation benefit payments (i.e. lump sum and income stream) paid to a person over 60 will not be subject to this levy as these amounts are non-assessable non-exempt. Other superannuation benefit payments paid to a person under 60 however may be subject to this levy.

The table below outlines the levy applicable according to your taxable income. Taxable income is assessable income less allowable deductions.

Taxable Income	Flood Levy
\$0 to \$50,000	Nil
\$50,001 to \$100,000	0.5% for each \$1 over \$50,000
Over \$100,000	\$250 plus 1% for each \$1 over \$100,000

Some individuals who were affected by certain natural disasters may be able to apply for an exemption to the above levy by completing and submitting the ATO approved form "Flood Levy Exemption Declaration" (NAT 73797) to the income provider.

For more information go to: www.ato.gov.au/floodlevy.

Tax concessions and deductions

Salary sacrifice arrangement

If you arrange for your employer to make salary sacrifice contributions to your Account (i.e. additional contributions made by your employer after they have met their superannuation guarantee obligations), those amounts will not be taxed in your hands and will attract contributions tax of 15 percent in your Account (provided that your concessional contributions cap is not exceeded). For further information about your concessional contributions cap, please refer to page 2 of this brochure.

Salary sacrifice may be an attractive and tax effective way to top-up your retirement money. People 50 and over have the added advantage of a higher concessional cap.

Let's say you earn \$70,000 per annum and salary sacrifice \$10,000 within the same financial year. Normally you would pay \$15,600* tax on your annual income. However under a salary sacrifice arrangement of \$10,000 your taxable income is reduced to \$60,000 reducing the amount of personal tax payable and providing a net benefit of \$1,650*.

	Without salary sacrifice	With salary sacrifice
Gross income	\$70,000	\$70,000
Less salary sacrifice	–	\$10,000
Taxable income	\$70,000	\$60,000
Income tax payable*	\$15,600	\$12,450
9% employer contribution	\$6,300	\$6,300
15% tax on concessional contributions	\$945 (15% x \$6,300)	\$2,445 (15% x (\$16,300))
Total tax payable	\$16,545	\$14,895
Tax saving	\$0	\$1,650

* Includes medicare levy.

Self-employed tax deductions

If you are either self-employed, substantially self-employed or you are otherwise eligible to contribute and do not receive any superannuation support from another person, then you may be eligible to claim a full tax deduction for all contributions you make to your Account up until age 75.

These contributions will be taxable at 15 percent in your Account (any contributions in excess of the concessional contributions cap will attract a further 31.5 percent).

Spouse contributions tax offset

An 18 percent tax offset is available to your spouse when they make contributions of up to \$3,000 on your behalf, where your assessable income is \$10,800 or less. The maximum tax offset for the contributing spouse is \$540. Where your income is more than \$10,800 the maximum offset reduces by \$18 for every \$100 by which your income exceeds \$10,800, so that it ceases when it reaches \$13,800.

For example, Joan works part time and has a yearly income of \$12,500. Her husband, Robert contributes \$1,300 to Joan's fund and is eligible to receive a tax offset of \$234.

A spouse is defined to include both a legal and a de facto spouse. A de facto spouse is one who lives with another person on a genuine domestic basis as a couple. For tax offset purposes, a spouse does not include a person who lives separately and apart from another person on a permanent basis, even though legally married to that person.

Government Co-contributions scheme

Under the Government co-contribution scheme, the Government will provide a superannuation contribution in the form of a Government Co-contribution for a qualifying low to medium income Account holder who makes non-concessional contributions during a financial year. The entitlement to the Government Co-contribution is dependent on, amongst other things, the Account holder's income and the amount of non-concessional contributions made during a financial year.

Effective from 1 July 2009 the Government announced that if you are eligible and your total income (assessable income plus reportable employer superannuation contributions, adjusted fringe benefits and total investment losses) is \$31,920* or less in a financial year, the Government will put in \$1.00 for every dollar that you contribute to your super from after-tax monies up to a maximum co-contribution of \$1,000 p.a.

For the 2011/2012 financial year, if your total income is more than \$31,920* your co-contribution phases out by 3.33 cents per dollar of income up to \$61,920* where it cuts out completely.

* Applicable for 2010/2011 and 2011/2012 financial years.

Total income (TI)	Reduction in co-contribution (RI)	Maximum co-contribution
\$0 – \$31,920	Nil	\$1,000
\$31,921 – \$61,919	(TI – \$31,920) x 0.03333	\$1,000 – RI
\$61,920+	\$1,000	Nil

The ATO will assess your entitlement to a co-contribution from the information in your tax return as well as contribution information supplied to the ATO by us. Any contributions received from the Government Co-contributions scheme will be credited to your Account.

How does it work?

John earns an annual income of \$36,000. Over the course of the financial year he makes a total personal non-concessional contribution (after-tax money) of \$650 to his Account.

After submitting his tax return for the same financial year, the Australian Tax Office (ATO) makes their assessment and calculates a co-contribution entitlement of \$650 for John. The co-contribution is paid directly to his superannuation provider and credited directly into his Account.

Am I eligible and how much will I get?

For further information about the co-contribution, including details of eligibility, simply visit www.ato.gov.au and navigate to the 'Superannuation' section.

Accessing your benefits

How can you access your benefits?

Contributions to your Account, together with any rollovers you add, are invested in your Superannuation Savings Account and start building a retirement benefit for you. Superannuation is a long term investment and the government has placed restrictions on when you can get access to your benefits.

These restrictions relate to the type of benefit(s) you have had and whether you need to satisfy a 'condition of release'.

Your Superannuation Savings Account may include preserved benefits, restricted non-preserved benefits and unrestricted non-preserved benefits.

- Preserved benefits are benefits that must be retained in the superannuation system, until you satisfy a condition of release (see below). All superannuation contributions and earnings on your superannuation benefits are required to be fully preserved from 1 July 1999. From 1 July 2004, preserved benefits also include all employer termination payments rolled over into your Account after that date.
- Restricted non-preserved benefits are benefits which are not preserved but which cannot be cashed until you satisfy a condition of release. Termination of service with an employer who contributes to your Account is an example of a condition of release changing the classification of restricted non-preserved to unrestricted non-preserved benefits.
- Unrestricted non-preserved benefits are benefits that are not preserved, usually because a condition of release has been met. Accordingly, such benefits are payable at any time on request.

You need to satisfy at least one of the conditions of release stated below to access your preserved benefits (unless you meet the definition of 'temporary resident' which has a different set of release conditions shown in the next column):

- you have permanently retired after reaching your preservation age, your preservation age is based on your date of birth as follows:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
1 July 1964 or after	60

- you have reached age 65
- you have reached age 60 and an arrangement under which you are gainfully employed has come to an end
- your employer has contributed as a standard employer sponsor to your Account and an arrangement under which you are gainfully employed with that employer has come to an end and the preserved benefit in your Account is less than \$200

- you have reached age 55 and elect to purchase a transition to retirement to non-commutable income stream
- you become permanently incapacitated
- you die
- we believe you satisfy the severe financial hardship criteria (after meeting a number of regulatory requirements)
- The Department of Human Services (DHS) approves payment on specified compassionate grounds
- you have previously been classified as a 'lost Account holder' under superannuation legislation and now are found and your total benefit in Superannuation Savings Account is less than \$200
- we or you receive a release authority from the ATO relating to withdrawal of money to meet a liability for excess contributions
- you suffer a terminal medical condition.

A 'terminal medical condition' exists if:

- two registered medical practitioners have certified, jointly or separately, that a person suffers from an illness, or has incurred an injury, that is likely to result in the death of the person within a period (*the certification period*) that ends not more than 12 months after the date of the certification
- at least one of the registered medical practitioners is a specialist practising in an area related to the illness or injury suffered by the person
- for each of the certificates, the certification period has not ended.

This condition of release allows a terminally ill Account holder to apply for release of their benefits regardless of age or employment.

Temporary Residents

The only conditions of release that are accessible by temporary residents (a holder of a temporary visa under the *Migration Act 1958*) or former temporary residents are:

- death
- permanent incapacity
- terminal medical condition
- a release authority to pay excess contributions tax
- temporary incapacity
- departing Australia superannuation payment (DASP)*.

* Available only to former temporary residents. If a temporary resident has not requested a DASP benefit within 6 months of their temporary visa expiring and their leaving Australia, we may be required to pay their balance to the Australian Tax Office (ATO). In these circumstances they will no longer be an Account holder of the Superannuation Savings Account. CMLA does not have to issue you with an exit statement at this time. Generally no interest accrues on the account balance from the time it is paid to the ATO. If your benefit is transferred to the ATO, you may claim your benefit by contacting the ATO and downloading a DASP application form from their website www.ato.gov.au, or by calling 13 10 20 or emailing DASPmail@ato.gov.au.

Other important information about your Account

Greater use of tax file numbers

The Government will allow superannuation fund trustees and retirement savings account (RSA) providers to make greater use of tax file numbers (TFNs) to locate member accounts and to facilitate the consolidation of multiple member accounts. This measure will improve superannuation industry administration by removing the existing requirement for fund trustees and RSA providers to use other methods of identification to locate accounts before TFNs can be used, with effect from 1 July 2011. It will also assist fund trustees and RSA providers to carry out more efficient consolidation of multiple member accounts, with effect from 1 January 2012, if not proclaimed earlier.

If you're under age 18

You can have a Superannuation Savings Account set-up in your name but we will require either a parent or guardian to sign any documentation on your behalf.

Contribution confirmations

Written confirmations are only issued for rollovers received. If you would like confirmation of any other contributions received you can call us on **13 2015** or write to us at Superannuation Savings Account, GPO Box 3306, Sydney, NSW 2001. Please let us know if you want confirmation of a particular contribution or if you want to receive confirmations for all contributions on a regular basis (except those made through regular savings plan or BPAY).

Family law

Family law legislation allows the superannuation of married or de facto couples that have been separated or divorced, as the case may be, to be divided.

The legislation allows the following key family law process to occur in relation to your Account:

- **Information request** is a written request for information about your Account and is used to determine the value of the superannuation asset. This request may be made by you as an Account holder, your spouse (which includes a de facto couple) or a person intending to enter a superannuation agreement with you (such as a pre-nuptial agreement). The response to an information request will only be issued to the requestor. If a request is received from your spouse or intending spouse, the legislation states that you must not be informed of the request.
- **Payment flag** may be placed on your Account through an agreement by you and your spouse or through a court order. The presence of this flag requires us to prevent certain types of withdrawals being made from your Account.
- **Splitting instructions** specify how your Account is to be divided. This may be expressed as a dollar amount or as a percentage. These instructions may be made in the form of a superannuation agreement between you and your spouse, or by a court order. In both cases, the instructions will be binding on us.

If your spouse does not provide instructions within a specified timeframe, their entitlement will be withdrawn from your Account and transferred to SuperTrace Eligible Rollover Fund.

The provisions of the family law legislation does allow for the charging of reasonable fees for the administration of family law transactions. We have decided not to charge fees at this time. You will be notified if a decision is made to introduce fees for family law transactions in the future.

For full details regarding the family law processes which can occur on your Account, please contact a Commonwealth Financial Planner or your financial adviser or simply call **1300 730 324** between 9 am and 5 pm (Sydney time), Monday to Friday.

Lost Account holders

There are a number of rules which deal with 'lost Account holders'. Generally, you will be treated as a 'lost Superannuation Savings Account holder' when you are at least one of the following:

- uncontactable (meaning that we have no current address for you, or two pieces of written communications to your last known address have been returned as unclaimed); or
- inactive (meaning that you have been an Account holder for longer than two years and we have not received a contribution or rollover in respect of you within the last five years), **unless**
 - in the last two years of you being an Account holder, we have verified your address is correct and have no reason to believe that the address is now incorrect; or
 - you are permanently excluded from being a lost Superannuation Savings Account holder.

If you are 'lost' at any time, we will need to report this to the ATO. The ATO maintains a Lost Account Holder Register. We will also need to tell the ATO if you are subsequently 'found', or if you are subsequently transferred to another superannuation provider.

With the aim of reducing the number of lost Account holders on the register maintained by the ATO, the government has proposed a staged approach as follows:

- rationalisation and improvement of existing processes for identifying lost Account holders and the introduction of a standardised portability form
- Account holders are able to electronically request consolidation of the accounts via a facility on the ATO web site.

Unclaimed monies

In some circumstances your benefits in Superannuation Savings Account may become subject to unclaimed superannuation benefit laws.

Superannuation money may become unclaimed if:

- the Account holder has reached age 65; and
- no contributions or amounts have been received in respect of the Account holder for at least two years; and
- we have not had contact with the Account holder for five years, after which reasonable efforts to make contact were unsuccessful; or
- the ATO gives us a notice that it is satisfied that a former temporary resident is an Account holder

or, in the case of a non-Account holder spouse where:

- a payment split applies to a splittable payment in respect of a Account holders interest in the Superannuation Savings Account; and
- as a result, the non-Account holder spouse (or their legal personal representative if they have died) is entitled to be paid an amount; and
- after making reasonable efforts and after a reasonable period has passed, we have been unable to determine that the non-Account holder spouse or their legal personal representative received the amount

or, in the case of a deceased Account holder where:

- we determine that, by operation of law, a benefit is immediately payable in respect of the Account holder; and
- we have not received an amount in respect of the Account holder for at least two years; and
- after making reasonable efforts and after a reasonable period has passed, we have been unable to determine that the benefit is being received by the person who is entitled to receive the benefit
- or, the ATO gives us a notice that it is satisfied that a former temporary resident has a superannuation interest in the Superannuation Savings Account.

We will transfer unclaimed benefits to the ATO. Where we have transferred such benefits, any request for payment should be directed to:

Unclaimed Super Money
Australian Tax Office
Locked Bag 6005
PO Box 1417
ALBURY NSW 2640

You can also contact the ATO on **13 10 20** or **1800 815 886** or **+61 2 6216 1111** if calling from outside Australia. Alternatively, you can do an online search for unclaimed superannuation using Super Seeker, available at www.ato.gov.au/super

Small and insoluble accounts

New legislation came into effect from 1 July 2010 in relation to unclaimed superannuation money. As a result, we will be required to transfer to the Australian Tax Office (ATO):

- lost Accounts with balances less than \$200; and
- Accounts, termed insoluble Accounts, which have been inactive for a period of five years and for which we have insufficient records to identify the Account holder/s.

If your account is transferred, you will no longer be an Account holder of the Superannuation Savings Account and any insurance cover that you may have in place will cease. If the Account is transferred to the ATO, the Account holder will be able to reclaim their money from them at any time.

Superannuation surcharge

Although the government removed superannuation surcharge as from 1 July 2005, the ATO will continue to issue surcharge assessments for prior financial years.

The ATO calculates the amount of any liability you may incur. This information is then forwarded to you and your current Account administrator. The Superannuation Surcharge will then be debited from your Account.

Superannuation objections

If you are dissatisfied with your surcharge assessment, you can lodge an objection with the ATO in your city of residence. In the course of lodging an objection, you will need to include specific grounds for your objection.

Note: We recommend that you contact your tax adviser or accountant to discuss your personal tax position concerning any surcharge assessment.

Proscribed persons

A 'Proscribed Person' means any person or entity who the Commonwealth Bank reasonably believes to be

- i. in breach of the laws of any jurisdiction prohibiting money laundering or terrorism financing, or
- ii. on a list of persons with whom dealings are proscribed by Australian laws or the laws of another recognised jurisdiction.

A 'Proscribed Person' includes any person or entity who the Commonwealth Bank reasonably believes to act on behalf, or for the benefit of, a person or entity referred to in (i) and/or (ii).

The Commonwealth Bank will not be liable to a Superannuation Savings Account holder or any other person for any loss suffered (including consequential loss) where the transactions are delayed, blocked, frozen or where the Commonwealth Bank refuses to process a transaction or ceases to provide the Account holder with a product or service, where the Commonwealth Bank reasonably believes that the Account holder is a 'Proscribed Person'.

Proposed federal budget changes impacting superannuation

The federal government ('The Government') announced as part of its May 2010 and 2011 Federal Budgets a number of changes affecting superannuation. Please note that these changes are currently in the proposal stage and may change prior to becoming law.

Increasing the superannuation guarantee (SG) rate to 12%

The Government has proposed to introduce a phased increase in the SG rate from 9% to 12%, with the initial increase from 9% to 9.25% proposed to commence from 1 July 2013. The table below shows the proposed increases in the SG rate for each financial year commencing from 1 July 2013.

Financial year	SG rate (%)
2013/2014	9.25
2014/2015	9.5
2015/2016	10.0
2016/2017	10.5
2017/2018	11.0
2018/2019	11.5
2019/2020	12.0

Where your employer is already making contributions above the current SG minimum you will need to check with them what changes, if any, they may introduce as a consequence of the Government's proposal.

Government superannuation contributions tax rebate for low income earners

The Government has proposed to provide a superannuation contributions tax rebate of up to \$500 annually for low income earners with effect from the 2012/2013 financial year.

This measure will effectively rebate most of the tax payable on concessional superannuation contributions made by or for low-income earners. The amount payable under this measure will be calculated by applying a 15% rebate of tax to the concessional contributions made by or for individuals on adjusted taxable incomes of up to \$37,000 (not indexed), with an annual maximum amount payable of \$500 (not indexed). The proposed rebate will be paid to the individual's superannuation fund to directly boost their retirement savings.

Concessional superannuation contributions made in the 2012/2013 financial year and later financial years will be eligible for the first superannuation contributions tax rebate paid in the 2013/2014 financial year.

Income threshold for co-contributions unchanged

The Government has proposed to continue the freeze on the income threshold above which the maximum superannuation co-contribution begins to phase down.

Under the superannuation co-contribution scheme, the Government provides a matching contribution for contributions made into superannuation out of after-tax income. The matching contribution is up to \$1,000 for people with incomes of up to \$31,920 in 2010/2011 (with the amount available phasing down to \$0 for people with incomes of \$61,920 or more). This proposal will look at continuing the freeze of these thresholds at \$31,920 and \$61,920 respectively until 2012/2013 financial year.

Raising the SG age limit from 70 to 75

The Government has proposed to raise the SG age limit from 70 to 75 with effect from 1 July 2013. Currently under the SG legislation your employer only needs to pay your SG contribution up to age 70.

Refund of excess concessional contributions

The Government will provide eligible individuals with the option to have excess concessional contributions taken out of their superannuation fund and assessed as income at their marginal rate of tax, rather than incurring excess contributions tax. The measure will apply where an individual has made excess concessional contributions of up to \$10,000 (not indexed) in a particular year and is only available for breaches in respect of 2011/2012 or later years, and only for the first year, commencing from 2011/2012, in which a breach occurs.

Additional disclosure on pay-slips regarding superannuation

With effect from 1 July 2012, the Government will ensure that employees receive information on their payslips about the amount of superannuation actually paid into their account, and employees and employers will receive quarterly notification from their superannuation fund if regular payments cease. This measure will help employees to keep track of their employer's contributions and take action where there is a shortfall.

Contact information

For general enquiries and Account holder requests:

Contact Information	
Telephone	13 2015 8.30am to 6pm (Sydney time), Monday to Friday
Facsimile	1800 002 715
Internet	commbank.com.au/personal/superannuation/superannuation-savings-account
Email	service@cba.com.au
Postal address	Superannuation Savings Account GPO Box 3306 Sydney NSW 2001
Branch network	Visit any Commonwealth Bank branch commbank.com.au/locateus
Administration manager	The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035
Registered office	Ground Floor, Tower 1, 201 Sussex Street Sydney NSW 2001

13 2015

8.30 am–6 pm (Sydney time)

Monday to Friday

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Commonwealth Bank of Australia
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