



## Feature

- > ARIA welcomes new CEO

## Current topics

- > Investment update
- > Your expanded PSS options
- > Budget 2008 super news
- > How to bump up your super with co-contributions

## ARIA welcomes new CEO

Lochiel Crafter has joined ARIA as its new CEO. Lochiel has extensive experience in the financial services industry. He has previously worked for Westpac Investment Management, Commonwealth Investment Management, Mercury Asset Management and State Super Investment and Management Corporation.

For the past seven years Lochiel has worked in various roles with State Street Global Advisers including, until recently, Chief Investment Officer, Asia Pacific located in Singapore.

## Current topics

### Investment update

For the latest news about PSS investment performance visit the **PSS monthly investment performance online**.

### Your expanded PSS options

From 1 July 2008 your PSS options have been expanded. Keep an eye out for the Explore booklet that is on its way to you or you can visit [www.explorepss.com.au](http://www.explorepss.com.au)

### You'll now have the option to choose an accumulation plan

From 1 July 2008, you will be able to choose to:

Stay with the PSS – ARIA's defined benefit scheme. The PSS gives you the security of a super benefit that is 'defined' in advance. You pay no scheme administration fees, receive employer benefits that accrue well above the minimum Superannuation Guarantee requirement (9%), automatic death and invalidity cover and a number of flexible options for taking your retirement benefit (lump sum, indexed pension for life or a combination of both).

Move to the PSSap – ARIA's accumulation plan<sup>^</sup>. The PSSap was established to meet the needs of Australian Government employees. It is an accumulation scheme where your contributions, employer contributions plus investment earnings less fees and taxes make up your final benefit. This works very differently from the PSS. PSSap members receive generous employer contributions (15.4%), a range of investment choices and death and TPD insurance cover<sup>^</sup>.

*\*Some PSS members will not be eligible to join the PSSap – check with your personnel section to see if you are eligible.*

*<sup>^</sup> When moving from the PSS to the PSSap, your insurance options in the PSSap are subject to special conditions within the first 12 months of your membership. Visit the PSS website to find out more.*

## From 1 July 2008, your member contributions will be voluntary

From 1 July 2008, you will be able to:

- > choose to make contributions between 2% and 10% of your after-tax salary OR you can choose not to contribute at all

You are currently required to contribute between 2% and 10% of your after-tax salary towards your super. From 1 July 2008, you will be able to choose to continue to contribute between 2% and 10% of your salary or choose not to contribute at all (0%).

This is a great opportunity to explore how your current contribution level may affect your final benefit and check if you are contributing at the rate to achieve your goals. If you decide not to make any changes, your member contributions will remain at their current rate.

Take time to explore your options – visit [www.explorepss.com.au](http://www.explorepss.com.au) for more details.

## Budget 2008 super news

No major superannuation changes were announced in the 2008/09 Budget. There were no changes to the existing 'Better Super' system and no amendments on current contributions, taxation or transition to retirement arrangements.

### Changes to same sex legislation

Legislation to remove differential treatment of same-sex couples and their children will be introduced in a number of areas including superannuation.

Amendments to the Commonwealth super schemes will likely be effective as of 1 July 2008. Full details of this proposal are not available, however, once the necessary legislative and/or rule amendments are finalised we will inform you in future editions of **Aspire**.

See the budget information on this proposal outlined [here](#).

## Comprehensive review of the tax system

The government has announced a comprehensive review of Australia's tax system. This review is to commence in July 2008 and is anticipated to be completed by the end of 2009. The review will examine the taxation of savings, assets and investments, including superannuation.

We will monitor this review for any implications relating to compliance, unit pricing and earnings rate issues, after-tax performance and the taxation of contributions and benefits.

## Access to tax free lump sums for persons with a terminal medical condition

As the government previously announced, the measure to make superannuation lump sum benefits tax free for people with a terminal medical condition will be back-dated to 1 July 2007.

## How to bump up your super with co-contributions

The government super co-contribution is a great way to top up your super and you may be entitled to a government super co-contribution if you:

- > have made personal contributions to the PSS this financial year
- > have lodged an income tax return for the financial year
- > have an assessable income and reportable fringe benefits less than \$58,980 in the financial year
- > are not a temporary resident
- > are less than 71 years old at the end of the financial year the contributions were made
- > have received employer superannuation support during that year of income (or were entitled to such support); and
- > are not wholly or substantially self employed.

The Australian Taxation Office (ATO) will determine if you are entitled to receive a Super Co-contribution based on the assessment of your income tax return; any reported Fringe Benefit Tax Entitlements; and the member contributions reported by us to the ATO for a particular financial year.

See the **PSS Super Co-contribution** fact sheet for more details.

## How to contact us

**Email:** [members@pss.gov.au](mailto:members@pss.gov.au)

**Phone:** 1300 000 377

**Fax:** 02 6272 9613

**Web:** [www.pss.gov.au](http://www.pss.gov.au)

**TTY:** 02 6272 9827

**Post:** PSS, PO Box 22 Belconnen ACT 2616

**Street:** Unit 4, Cameron Offices, Chandler St Belconnen ACT 2617

**WARNING – THIS DOCUMENT CONTAINS GENERAL ADVICE OR INFORMATION ONLY**  
The information in this document is general information only and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider any advice in this document in light of your personal objectives, financial situation or needs before acting on it. You may wish to consult a licensed financial planner to do this. If you are looking at acquiring a financial product you should obtain a Product Disclosure Statement and consider its contents before making any decisions.

Australian Reward Investment Alliance (ARIA) AFSL: 238069 RSE Licence No: L0001397  
ABN: 48 882 817 243

Trustee of the Public Sector Superannuation Scheme (PSS) RSE: R1004595  
ABN: 174 172 177 8935