

How super works



1 July 2024

The information in this document forms part of the REI Super Product Disclosure Statement (PDS) dated 1 July 2024.

Superannuation is a tax-effective retirement savings vehicle. Generally, your REI Super account can accept contributions from your employer, yourself, your spouse, the Government or from rollovers from other super accounts you may have elsewhere.

Making contributions to REI Super

Contributing to your super now can make a big difference to your final retirement outcome.

Before-tax (concessional) contributions

Types of contributions

There are two categories of contributions:

- Before-tax contributions: these are contributions made before tax has been applied. These types of contributions are also known as **concessional contributions**.
- After-tax contributions: these are contributions made after your income tax has been deducted from your pay. These types of contributions are also known as **non-concessional contributions** unless you make a personal tax deduction for them.

Before-tax contributions are usually compulsory employer contributions or voluntary employer contributions including salary sacrifice contributions. Contributions are generally subject to tax at a rate of up to, or at a maximum rate of 15%. Additional tax on concessional contributions is payable by higher income earners, or if we don't have your TFN.

Compulsory employer contributions on your behalf

Your employer is generally required to make Superannuation Guarantee (SG) contributions on your behalf, in addition to your salary. Exceptions apply. For example, where you are under age 18, you must work at least 30 hours per week.

For the year ending 30 June 2025, the minimum SG contributions required for an eligible employee is 11.5% of the employee's ordinary time earnings.

Your employer contributions are considered concessional contributions. There are limits to the amount of concessional contributions that can be made during a financial year. For more information about the concessional contributions caps and to understand how concessional contributions are taxed go to reisuper.com.au and see **How super is taxed** for more information.

You can check how much your employer contributes to your REI Super account on your annual Member Statement, or by accessing your account online at reisuper.com.au

Salary sacrifice

You and your employer may agree to increase before-tax super contributions to your account, reducing your salary by a nominated amount. This means the sacrificed amount is taxed as a concessional contribution rather than income. There are limits to the amount of concessional contributions that can be made during a financial year.

Salary sacrificing will reduce your annual assessable income. For example, if your income is \$50,000 and you sacrifice \$1,000, your assessable income becomes \$49,000.

You should seek financial advice about whether salary sacrifice is right for you. Also check that your employer will continue to calculate their SG contribution and your other entitlements on your pre-sacrifice salary.

For more information about the concessional contributions caps and to understand how concessional contributions are taxed go to reisuper.com.au and see **How super is taxed**.

Personal tax-deductible contributions

If you make an after-tax contribution to your super but notify us that you intend to claim a tax deduction for it and we send you an acknowledgment, then we will deduct 15% tax on the amount you are claiming as a deduction. Any amount you are claiming as a tax deduction is also treated as a before-tax contribution and will count towards the limits on concessional contributions.

For more information about how to claim a tax deduction and the eligibility criteria, please visit ato.gov.au/super or contact us and we'll let you know what's required.

Limits on before-tax tax (concessional) contributions

There is an annual limit known as the concessional contribution cap. The concessional contribution cap for the 2024/25 financial year is \$30,000 (subject to indexation in future years).

For more information and to download the form you need to complete and send to us to notify your intention to claim a tax deduction, visit ato.gov.au/super.

Carry-forward of unused concessional contribution cap

If your total super balance (across all super funds you participate in) was less than \$500,000 at 30 June of the previous year, you can carry forward the unused portion of your concessional contributions cap. The amount of unused cap amounts you will be able to carry-



forward will depend on the amount you have contributed in previous years, starting from 2018-19, and the applicable concessional contributions cap in those years. You can use unused cap amounts from up to 5 previous financial years. This means that you may be able to receive concessional contributions of more than \$30,000 in the 2024/25 financial year without incurring additional tax. You can find more information on the carry-forward rule at ato.gov.au/super

After-tax (non-concessional) contributions

It's easy to make contributions to your REI Super account from any after-tax income or savings. You can make after-tax contributions by:

- BPAY, login to your account online
- Direct Debit, use our Direct Debit Request form
- Payroll deduction, check with your employer
- Personal cheque, use our **Application to Make a Lump Sum Contribution form**

Limits on after-tax (non-concessional) contributions

Tax doesn't generally apply to non-concessional contributions, however there are limits to the amount of non-concessional contributions that can be made during a financial year without incurring additional tax. For more information about the non-concessional contributions caps and to understand how excess non-concessional contributions are taxed, go to reisuper.com.au and see **How super is taxed**.

A person who withdrew superannuation under the temporary 'COVID-19' early release initiative are able to re-contribute these amounts (up to 30 June 2030) without them counting towards their non-concessional contributions limit. Conditions apply.

You must provide your Tax File Number (TFN) to enable us to accept member contributions for you.

To see how making after-tax contributions could work for you, check out the Super Contributions Optimiser calculator at moneysmart.gov.au.

Total Superannuation Balance

If your 'Total Superannuation Balance' in all your super funds adds up to the applicable 'General Transfer Balance Cap' (\$1.9 million for 2024/25) or more (calculated at the end of the previous financial year), then the non-concessional contributions cap for the current financial year reduces to \$0 and any after-tax (non-concessional) contributions you make in the current financial year will mean you may have to pay extra tax.

A gift from the government

The Federal Government's super co-contribution scheme is designed to help Australians boost their retirement savings.

For every after-tax (non-concessional) dollar eligible members make to super in a financial year, the government will contribute up to an extra 50 cents.

The maximum co-contribution that the government will make for a financial year is \$500, and is available (in relation to contributions made in the 2024/25 year) for eligible individuals with a total income up to \$45,400. The co-contribution reduces progressively depending on your total income over \$45,400 and cuts out at \$60,400.

Total income includes assessable income, reportable fringe benefits and salary sacrifice to super.

If you are eligible, your co-contribution amount will be automatically calculated and deposited into your super account by the ATO after you've lodged your tax return. The co-contribution is treated as a non-concessional contribution, however, it does not count towards your non-concessional contribution limit. You can find out whether you are eligible on the ATO website ato.gov.au/super.

In addition, you may be eligible for the Government's Low Income Superannuation Tax Offset (LISTO) which is also designed to help low-income earners save for retirement. If you earn income up to \$37,000, you may be eligible to receive a refund into your superannuation account. This refund is for the tax paid on your concessional superannuation contributions up to a cap of \$500 per financial year.

For more details (including full eligibility criteria) on the Government's super co-contribution scheme or LISTO, visit ato.gov.au/super

Consolidating multiple super accounts

Combining or 'rolling over' all your super into one account means more money can go towards your retirement savings — not into extra fees!

Rolling your other super into your REI Super account is easy. You can rollover your other super either:

- **Online**, login to your account online and use our online rollover tool or;
- use our **Rollover Form** or download from reisuper.com.au

You should check with your other fund(s) for any fees (e.g. buy/sell spreads) you may incur or benefits (e.g. insurance cover) you may lose. If you need any help with deciding if rolling over is right for you, you can speak to one of our qualified financial advisers by calling **1300 13 44 33**.

Spouse contributions

Making contributions into a super account on a spouse's behalf can help a couple share more in retirement.

A tax offset is available for people who make super contributions on behalf of a low-income or non-working spouse (including a de facto spouse of the same or different sex). The maximum offset is 18% of the first \$3,000 of contributions per year, which means the maximum offset available is \$540.

Currently, the maximum offset of \$540 is applicable when the receiving spouse's annual assessable income (including fringe benefits) is \$37,000 or less and reduces to \$0 for incomes of \$40,000 or more. Any spouse contribution made for a spouse will count towards that spouse's annual non-concessional contributions cap.

There are some instances in which we cannot accept spouse contributions for a spouse; they are:

- where the recipient ceases to be an eligible spouse
- if the recipient ceases to be a member of the Fund, and
- where they are made as salary sacrifice contributions i.e. pre-tax.

Other eligibility criteria apply. Contributions made to a spouse account are subject to standard preservation rules.

For more information including full eligibility criteria, visit ato.gov.au.

Contribution splitting

Splitting your super with your spouse means you can both have super to draw on when you retire. It allows non-working or low-income spouses to build up their own super.

You can split the lesser of:

- 85% of concessional contributions for that financial year and/or;
- the concessional contributions cap for that financial year.

You cannot split:

- non-concessional and government co-contributions made to a super fund
- contributions if you have withdrawn your super from your REI Super account.

Contributions can only be split with an eligible spouse who has not retired or reached age 65. An 'eligible spouse' includes:

- your husband or wife
- another person (whether of the same sex or not) with whom you are in a registered relationship, or
- another person who, although not legally married to you, lives with you on a genuine domestic basis as a couple.

We must receive your completed Superannuation contributions splitting application form (call **1300 13 44 33**) by 18 June in the year after the contributions were made. For example, an application to split contributions made in the 2023/24 financial year must be received by 18 June 2025.

For more information, visit ato.gov.au/super.

First Home Super Save Scheme (FHSSS)

Members who have made voluntary (before or after-tax) contributions into their super from 1 July 2017, may apply to the ATO to withdraw these contributions to help purchase their first home. Eligibility criteria apply. This is subject to a current maximum withdrawal cap of \$15,000 of your voluntary contributions from any one financial year and (from 1 July 2022) \$50,000 in total across all years.

You may apply using a form available on the ATO's website. Withdrawals will be taxed at your marginal tax rate less a 30% rebate. The associated earnings on your contributions will be calculated by the ATO using a deemed rate of return, which may be greater or less than the actual earnings on your account.

For more details on the FHSSS including full eligibility criteria, visit the ATO's website at ato.gov.au/individuals.

What contributions can REI Super accept?

For contributions made in the year commencing 1 July 2024, the following rules apply.

	Under 65	65 to under 75	75+
Employer compulsory (such as Superannuation Guarantee)	✓	✓	✓
Employer additional*	✓	✓	✗
Personal after-tax	✓ ⁺	✓ ⁺	✗
Personal tax-deductible	✓ [#]	✓ ^{#^}	✗
Spouse contribution	✓	✓ ⁺	✗
Contribution split	✓ ^{**}	✗	✗
Downsizer contributions	✗	✓ ^{^^}	✓ ^{^^}

* Employer additional contributions are where your employer voluntarily contributes additional amounts not required under the Super Guarantee and includes salary sacrifice contributions made by your employer for you.

[^] Members aged 67 or older must satisfy the ATO's 'work test' to be eligible to claim a tax deduction on personal contributions, unless an exemption applies. For more information on the work test, visit the ATO website at ato.gov.au/individuals.

⁺ If your TFN has not been provided to us, we cannot accept the contribution.

[#] If your TFN has not been provided to us, we can only accept and retain the contribution if we receive the ATO's Notice of intent to claim or vary a deduction for personal super contributions form (NAT 71121), including your TFN, within 30 days

^{**} If the recipient of the contribution is aged between the relevant preservation age and 65, they must not be permanently retired. Other conditions apply.

^{^^} Eligible members aged 55 or older can make a 'downsizer contribution' of up to \$300,000 each into their superannuation where the proceeds come from selling their home.

Superannuation laws impose rules on the acceptance of superannuation contributions.

The rules shown are a summary only as at the date this publication was prepared and are subject to change by the Federal Government from time to time.

Where can I find other information?

If you'd like more information about super, visit reisuper.com.au/pds and read the following:

- ☑ Risks of super
- ☑ Investment Guide
- ☑ Fees and costs
- ☑ How super is taxed
- ☑ Insurance Guide
- ☑ How to make a complaint

Need advice about your super? We are here to help.

Take control of your super – and your future – by calling one our qualified financial advisers on **1300 13 44 33**.



COVID re-contributions

If you withdrew super under the COVID early release scheme, you may, until 30 June 2030, re-contribute into super any amount up to the amount you withdrew.

These amounts will be treated as non-concessional contributions and will not count towards your non-concessional contributions cap.

Downsizer contributions

If you are 55 years of age or older, you may contribute up to \$300,000 per individual (\$600,000 per couple) to your superannuation from the proceeds of the sale of your main Australian residence. This contribution must be made within 90 days of receiving the proceeds of the sale. You must have owned your main residence for at least 10 years. Other eligibility criteria apply. A down-sizing contribution does not count towards your contribution caps in the year it was made.

To make a downsizing contribution, the proceeds and the ATO approved form must be received at the same time. For more information, including full eligibility criteria, and to download the form, visit ato.gov.au/super.

Other contributions

Other types of payments that can be contributed to your REI Super account include:

- some proceeds from the disposal of qualifying small business assets
- proceeds of some compensation payments for a permanently disabling personal injury.

The rules applicable to these contributions can be complex. If you are considering making these types of contributions, we recommend you seek expert advice.

Work test requirements

A work test applies to individuals aged 67 to 74 years who wish to claim a deduction for personal superannuation contributions, unless a work test exemption applies (to meet the work test, you must be gainfully employed for at least 40 hours during a consecutive 30-day period in the financial year in which the contributions are made). The exemption is available only once to individuals with a total super balance of less than \$300,000 at the end of the previous income year (provided other conditions are satisfied). For further information about work test requirements and the exemption, please visit the ATO website at ato.gov.au/individuals.

Choosing your super your super fund

Most people can choose the super fund they want their employer to pay their SG contributions to. If you don't tell your employer where to pay contributions, and there is no 'stapled fund' for you (ie. an existing fund in which you have an active account, as advised to your employer by the ATO), your SG contributions will be paid into an account in REI Super if your employer has chosen REI Super as their default fund. If your employer is paying to a different super fund, you can ask them to pay your contributions to REI Super by completing a 'Choice of Superannuation' form located on our website at reisuper.com.au.

When can you access your super?

Your super is designed to help support you financially when you retire, so the government has placed restrictions on when you can access your benefit. These are called 'preservation rules' and mean your benefit may consist of preserved and non-preserved amounts.

Preserved amounts

By law all contributions to members' accounts and investment earnings accruing after 1 July 1999 are preserved until you meet a condition of release.

Conditions of release

All or part of your preserved amount may generally only be paid out if you meet at least one of these conditions:

- you permanently retire or commence a Transition to Retirement Income Stream on or after your preservation age

Your Date of Birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

- you reach age 60, your employment arrangement has ended after reaching age 60 and you meet certain conditions
- you reach age 65
- you become permanently incapacitated
- you have a terminal medical condition
- you die
- you meet government criteria and receive government approval for the release of some of your super on compassionate grounds or due to severe financial hardship
- you change jobs and your account balance is \$200 or less, or you are a 'lost member' who is found and you have less than \$200 in your account on its release
- it's necessary to enable a payment under a release authority in accordance with the Income Tax Assessment Act 1997.

Temporary residents are treated differently under the super rules in terms of accessing super benefits early. If you are a departing temporary resident seeking access to super benefits contact the ATO to check how the rules apply to your circumstances.

Non-preserved amounts

Restricted non-preserved amounts may generally only be paid out if:

- you meet one of the conditions of release for preserved amounts, or
- you are no longer employed by a contributing employer.

Unrestricted non-preserved amounts may generally be paid out at any time.

Partial payments

Although you can choose to transfer or rollover you super to another superannuation provider at any time, we are not required to process partial transfer/rollover requests in certain circumstances. If you make a partial withdrawal to another fund, you must keep at least \$5,000 in your account for it to remain active.

Tax is not normally deducted where your benefit is rolled over to another complying super fund. See **How super is taxed** for more

What can I do when I reach my preservation age?

When you reach preservation age you can transfer your super benefit to REI Super Pension under the transition to retirement rules, even if you're not permanently retired. Paid to provide a regular income (instead of a lump sum), the REI Super Transition to Retirement Pension enables people who are semi-retired to work part-time while using some of their super to supplement their income. Maximum withdrawal limits apply.

Alternatively, if you are fully retired from the workforce you can commence an REI Super Account Based Pension which doesn't involve taxation of investment earnings (subject to Government limits) or leave your super in your current REI Super account where tax on investment earnings applies (however, your balance must be paid out in the event of your death). There is a limit on how much you can hold in retirement phase pensions in super.

You should consider the REI Super Pension PDS and Target Market Determination available at reisuper.com.au/publications-and-forms when deciding whether to acquire or continue to hold an REI Super Pension.

information.

Accessing your benefits

Under the Anti-Money Laundering and Counter Terrorism Financing Act 2006, you (including your beneficiaries or agents) must provide certified copies of identification documents when receiving certain services, such as the payment of super benefits, establishing a pension account or updating important personal information such as your name or date of birth.

We may be required to transfer your account to the ATO

There are some circumstances where we may be required to transfer your account to the ATO.

If you are a temporary resident

We are required to transfer to the ATO any super held for a temporary resident who has left Australia for more than six months and whose visa has expired or been cancelled. This may affect your super if you are not an Australian citizen, a New Zealand citizen or a permanent resident.

In accordance with relief provided by the Australian Securities and Investments Commission (ASIC), we will not provide an exit statement. However, you can contact us to receive information about the transfer that will enable you to apply to the ATO to claim your benefit. For more information about unclaimed benefits, contact the ATO on 13 10 20.

Lost super and inactive account balances

The Trustee may be required to transfer your account balance to the ATO in certain circumstances, including if you are a lost member with an account balance less than a Government prescribed amount (currently \$6,000), or you are an unidentifiable lost member with an inactive account balance (regardless of its size). Any insurance cover you have will cease if this occurs. There are some circumstances where we won't transfer lost super to the ATO. They are:

- where we have verified your address in the past two years or
- you have indicated by a positive act, for example, by deferring a benefit in the fund, that you wish to remain a member of REI Super, or
- you have requested your account to be permanently excluded from being transferred the ATO under the 'lost member' rules.

Also, all inactive low-balance inactive accounts must also be transferred to the ATO on a twice yearly basis. Your super account is usually considered to be an inactive low-balance account if:

- It has a balance of less than \$6,000, and
- For a continuous period of 16 months, we have not received a contribution or rollover into your account; and
- There is no insurance on the account, and
- You haven't made certain updates to your account details in the last 16 months, such as made an investment choice, changed your insurance cover, made or amended a binding death benefit nomination, or provided written notice to REI Super that you do not wish for your REI Super account to be transferred to the ATO.

If your account is transferred to the ATO, they can help you consolidate it with any active super account you may have.

There are other circumstances where we must provide member's account balances to the ATO, such as on death and on a member reaching their pension eligibility age, if we haven't been able to contact the member or pay the applicable benefit. If you would like further information, contact us on **1300 13 44 33** or visit ato.gov.au.

The ATO will try to reunite any super paid to it with a person's active superannuation account. Interest is payable by the ATO and no fees apply to your ATO held super.

Your REI Super account

The money in your account is used to purchase units in the investment option(s) you have chosen. The value of your units rises or falls in line with the underlying value of the assets in the investment option. See our *Investment Guide* for details.

While you maintain an account in REI Super, we deduct administration fees and insurance fees (if applicable) from your account by redeeming units. See **Fees and costs** and our **Insurance Guide** for more information.

What happens to your super if...

You retire

Your super (less any taxes or other costs that may apply) may be paid as a lump sum or pension when you reach your preservation age.

Who gets your super if you die?

If you die while a REI Super member, your account balance plus any insurance benefit will be payable to your dependants or your estate. This sum of money is called your death benefit.

You may nominate one or more beneficiaries using either a:

- non-binding nomination, or
- binding nomination.

If you have more than one account in the Fund, you must complete a separate form for each account. The person or persons you nominate must be one or more of your dependants and/or legal personal representative(s) (meaning the executor or administrator of your estate).

With a **non-binding nomination**, you're telling us who you'd prefer to receive the benefit should you die, but your nomination isn't binding on the Trustee. While your wishes will be taken into account, the Trustee ultimately decides who the benefit will be paid to. You can make a non-binding nomination when you join the Fund or nominate/update at any time through Member Online (at reisuper.com.au/online) or by calling us on 1300 13 44 33.

With a non-binding nomination, if you have no dependants when you die, the Trustee will pay your benefit to your legal personal representative (your estate). If you also have no legal personal representative when you die, the Trustee has the discretion to pay your benefit to another person, such as a relative.

With a **binding nomination**, so long as you validly nominate eligible dependants (see below for definition) and/or your legal personal representative in accordance with legislative requirements and the nomination is still valid and effective at the time of your death, the Trustee must pay your death benefit according to your instructions. You can only set up, renew, change or cancel a binding nomination by completing a Binding death benefit nomination form – download a copy at reisuper.com.au/publications-and-forms or call us on 1300 13 44 33. You must complete the form properly and lodge it with the Trustee.

A binding nomination is valid for three years, unless it is renewed, changed or cancelled earlier – if you do not renew it before the end of the three-year period from last signing, it becomes a non-binding nomination.

The Trustee will endeavour to notify you when the binding nomination is due for renewal, however it is your responsibility to ensure your nomination is kept up to date. There are other circumstances in which a binding nomination may become invalid. For further details, refer to the information accompanying the form.

Who are beneficiaries?

The beneficiary(ies) you nominate must be a ‘dependant’ or your legal personal representative.

A dependant includes:

- your spouse (including de facto or same sex partner)
- your child (which includes an adopted child, a step-child, an ex-nuptial child, a child of your spouse or someone who is your child within the meaning of the Family Law Act 1975)
- a person who is wholly or partially financially dependent on you
- a person with whom you have an interdependency relationship.

An interdependency relationship will exist between two individuals if:

- they have a close personal relationship;
- they live together;
- one or each of them provides the other with financial support; and
- one or each of them provides the other with domestic support and personal care.

An interdependency relationship may also exist if the two people have a close personal relationship but do not meet the other conditions listed above due to either or both suffering from a

physical, intellectual or psychiatric disability or due to them temporarily living apart. An interdependency relationship must exist at the time of death.

In determining whether an interdependency relationship exists the trustee must take into account all relevant circumstances including the following criteria:

- the duration of the relationship;
- the ownership, use and acquisition of property;
- the degree of commitment to a shared life;
- the reputation and public aspects of the relationship;
- the degree of emotional support;
- whether there is any evidence that suggests the parties intended the relationship to be permanent; and
- whether there is any evidence that suggests that the relationship is one of mere convenience.

No nomination or invalid binding nomination

If you die without making a nomination or if your binding nomination is invalid or ineffective when you die, the Trustee will attempt to pay your death benefit to one or more of your dependants or your legal personal representative. Where this happens, the Trustee will consider your dependants’ circumstances at the time of your death.

You become disabled

If you have insurance through REI Super, you may be eligible to receive a regular income or lump-sum disability insurance benefit. Your account balance may be paid if your incapacity is permanent or you have a terminal medical condition. Go to reisuper.com.au/pds and read our Insurance Guide for more detail.

You want to stay with REI Super when you retire

We can continue to look after your super when you retire with the following flexible options.

1. Leave your money in your current REI Super account, which gives you ongoing access to competitive fees, a tax effective investment vehicle and access to your money when you need it (subject to conditions). Tax applies to investment earnings.
2. Transfer your super to the REI Super Pension (subject to a limit on the amount that can be held in retirement phase pensions). This provides a regular income stream from your super with the added bonus of tax-free investment earnings. You should consider the REI Super Pension PDS and Target Market Determination available at reisuper.com.au/publications-and-forms when deciding whether to acquire or continue to hold an REI Super Pension.

Need help?

1300 13 44 33 | reisuper.com.au

✉ admin@reisuper.com.au



This document does not relate to the REI Super Pension. Refer to the REI Super Pension PDS and Target Market Determination (TMD) for information about that product. The information provided in this Statement is of a general nature only and does not take into account your objectives, personal financial situation or needs. Before acting on this information you should consider it's appropriateness having regard to your objectives, financial situation and needs. You may wish to consult a licensed financial adviser to obtain advice that is tailored to your personal circumstances. This Product Disclosure Statement for REI Super has been prepared and issued on 1 July 2024 by the Trustee of the Fund, REI Superannuation Fund Pty Limited (ABN 68 056 044 770), AFSL 240569, SPIN REI0001AU RSE L0000314. REI Super ABN 76 641 658 449 RSE R1000412. MySuper unique identifier 76641658449129.

REI Superannuation Fund Pty Limited acts as trustee (in this document referred to as 'the Trustee' or simply 'we') of REI Super (in this document referred to as 'the Fund' or simply 'us'). Where we refer in this document to the word 'our' we may be referring to either or both the Trustee and the Fund. All references for these entities required by law can be found by going to reisuper.com.au.