

Employer SuperNews

December 2009

LUCRF Super joins forces with Professional Footballers Australia (PFA)

LUCRF Super recently formed a partnership with Professional Footballers Australia (PFA) – the exclusive representative body of Australia's elite professional footballers including the Socceroos, A-League players, the Matildas and the scholars in Australia's elite academy system such as the Australian Institute of Sport. This partnership has already resulted in many A-League players joining the Fund. It also means LUCRF Super will provide superannuation education to Australian footballers through the PFA's 'My Football Career' program, as well as support PFA events and community initiatives.

Kicking goals with the community

One initiative that LUCRF Super is providing assistance and support for is the 'PFA Heroes' program.

The 'PFA Heroes High School Mentoring Program' involves prominent footballers visiting schools and working with students to help their personal development in five major areas; Respect, Teamwork, Fair Play, Pride and Leadership.

This year has seen the program piloted in three Melbourne schools. The program has been developed in conjunction with the Department of Education and Early Childhood Development and was launched by the State Education Minister, Bronwyn Pike. Ms Pike said at the launch, "We want to improve student outcomes and engage young students on values in

ways that they can relate to... This program offers students a chance to learn the skills elite soccer players and their clubs use as the building blocks for their success, which will teach students important values to help them grow and connect with their communities".

Feedback from school teachers and participants of the program has been very positive. We plan to keep working with PFA and their members to continue their work in the community, as well as providing them with superannuation and retirement planning services.

Want to know more?

To read more about all the good work PFA and its members do, visit www.pfa.net.au

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With LUCRF's support Tim Cahill was voted by his peers as the Inaugural PFA Footballer of the Year in 2009.

Respect • Teamwork • Fair Play • Pride • Leadership



Australia's first industry fund

LUCRFsuper



Important changes to staff super contribution reporting

There has been some changes introducing obligations for employers to report and record on some types of 'extra' contributions made into employee super accounts.

This article outlines the changes and provides a general overview of super contribution reporting.

The main change

From the 2009/10 income year and onwards, if any of your employees have 'extra' super contributions (such as salary sacrifice) arranged through your payroll department, you may now need to include these on their annual payment summary.

The Australian Taxation Office (ATO) deems some extra contributions as 'reportable employer super contributions' and while they are not included as part of your employee's taxable income, they do affect entitlement to a range of government benefits and concessions, including the government co-contribution. It also means that;

- You must report them to the ATO as part of your payment summary reporting
- You must include them on the payment summary to employees, and
- Your employee must report them to the ATO in their income tax return.

Please note, the ATO has also released a new payment summary format to incorporate these changes.

- Your employee influenced the rate or amount of super you contribute for them, and
- The super contributions are **additional** to the compulsory contributions you must make under;
 - Super Guarantee (SG) law
 - An industrial agreement
 - Federal, state or territory law, or
 - The trust deed or governing rules of a super fund.

Salary sacrifice contributions deducted from an employee's gross (pre-tax) income are reportable employer super contributions.

If you make an employer contribution to a super fund for an employee and the amount would have otherwise been income, then it is a reportable employer super contribution. For example, when an employee elects to have their **bonus** or **overtime** paid into super.

Contributions that are NOT reportable employer super contributions

You do not need to report on certain employer super contributions, such as;

- **compulsory** contributions you must make for your employee under the following circumstances;
 - Super Guarantee (SG) law
 - An industrial agreement
 - Federal, state or territory law, or
 - The trust deed or governing rules of a super fund.
- Where the employee **did not or could not** have influenced the amount of super you contributed for them.

If you remit super contributions deducted from an employee's after-tax (net) income, they are not reportable employer super contributions.

How can an employee have the capacity to influence?

If an employee enters into an arrangement with you to contribute more super than required by you, then they have the capacity to influence.

Generally, an employee does not have the capacity to influence when they simply vote for a collective agreement or are part of a group that negotiates a collective agreement with you.

They are considered to have influence when they directly negotiate or have an option to directly negotiate their employer contributions in excess of the compulsory contributions. If this is the case, then you must report any extra super contributions made to the ATO.

How does this affect Salary Sacrifice arrangements?

The new requirements to report the extra employer super contributions do not change *how* salary sacrifice arrangements or employer super contributions are made.

Keeping records is more important than ever

These new reporting requirements mean that keeping accurate records is now more essential than ever before.

You must report all reportable employer contributions for the income year (1 July to 30 June) that the contribution relates to, this may differ from the year they are actually received by the super fund.

The ATO requires you to keep records that include:

- Information on how you calculated reportable employer super contributions;
- Information on how you calculated your employee's salary or ordinary time earnings (OTE);
- Information on how you calculated the 'employee-influenced' portion of the total employer contribution (any extra contributions requested by the employee, including salary sacrifice);
- Copies of relevant salary sacrifice agreements, and
- Copies of relevant industrial agreements.

You must keep these records for five years after they are prepared, obtained or the transactions are completed (whichever occurs last). They must also be in English, or in a form the ATO can access and understand, in order to work out the tax you are liable to pay.

Electronic records

If you choose to keep your business records electronically, they must also be in a form the ATO can readily access and understand.

For more information about these changes, visit www.ato.gov.au

Keeping records is more important than ever

As well as reporting these on an employee's annual payment summary, you also need to be able to;

- Record each employee's reportable employer super contributions in your payroll, reporting and record keeping systems
- Provide accurate information to your employees if they ask about their reportable employer super contributions, and
- Record how it was calculated.

Contributions that ARE reportable employer super contributions

You need to report on any employer super contributions you make for your employee, where all of the following circumstances apply;

Polar Fresh Queensland

The coolest place to work

Created in 2004, as the cornerstone of a joint venture between Costa Group and Swire Cold storage, Polar Fresh provides dedicated state of the art chilled storage and distribution services nationally.

The development of Polar Fresh not only generated employment opportunities in Victoria and Queensland, it also created the *coolest* place to work for over 1000 employees. This was achieved through the vision and commitment of the company's People & Culture Department and their 'People First Philosophy'.

Polar Fresh live and breathe their 'People First Philosophy' and hold monthly meetings specifically dedicated for this purpose. An integral part of the philosophy is to be honest and open with staff about all business and community matters.

The foundations of their 'People First Philosophy' are based on six core character qualities, that all staff, from the CEO to casual employees are encouraged to adopt. These character qualities include;

- Dependability
- Integrity
- Respect
- Passion
- Responsibility
- Teamwork.

With hard work, dedication and commitment came results. Polar Fresh Queensland recently won both the CILTA[#] Queensland People and Development Award and the National ASCLA^{*} Training, Education and Development Award.

One of the secrets to Polar Fresh's success is recruiting new team members based primarily on their character traits and then training for skills later. "We have found this to work for us so far, there is a very strong belief in our People First Philosophy..." Teresa Jarman, People & Culture Officer, Polar Fresh.

During the opening of the new Queensland site that included the recruitment of over 400 new employees, LUCRF Super was able to support the 'People First Philosophy' by providing assistance during the new staff induction program.

For the first two months of opening, LUCRF Super visited the site weekly to ensure the 400 plus new Polar Fresh employees understood their superannuation arrangements.

[#]The Chartered Institute of Logistics and Transport Australia.

^{*}Australian Supply Chain and Logistics Association.



Attendees at a LUCRF Super Employer Forum hearing an investment update from CEO Greg Sword.

Two-way super conversation

LUCRF Super understands that communication and open dialogue is pivotal to helping our employers navigate the complex and dynamic landscape of superannuation.

We have delivered several employer forums in the last twelve months, which covered various topics relating to superannuation and investments. Importantly, these forums provide employers with up-to-date information and guidance regarding super and encourage businesses to raise any relevant questions or issues they might be confronted with.

In more recent sessions, LUCRF Super spoke about the global financial crisis (GFC) and its impact on superannuation. This enabled many employers to help their staff with any questions and concerns they had.

When is the next forum?

We will continue to deliver more forums in 2010 and will let you know the details in future newsletters and on our website. In the meantime, if you would like to know more about our employer forums, please email us at employerforums@lucrf.com.au. Alternatively, our Business Development Managers (BDM's) are always available to assist you and your staff.

Teresa Jarman (left) and Debra Hartwell (right), People & Culture Officers at Polar Fresh.



"Carly from LUCRF Super has been great visiting the site weekly to see our team members, making sure that all paperwork was completed and any questions new staff had were answered"

Teresa Jarman.

Investment update – there is light at the end of the tunnel

The start of the 2009/10 financial year has seen investment markets rebound and show some signs of recovery. While nobody has declared the financial crisis over, these ‘green shoots’ of growth are encouraging.

The latest figures for LUCRF Super show positive returns across all investment options. The actual year to date crediting rates* for LUCRF Super’s investment options are presented in the following table.

Balanced	Cash	Property	Australian Shares	International Shares	Indexed Shares
7.42%	0.87%	19.33%	20.47%	9.87%	11.90%

* Financial year to date – as at 23 November 2009.

These crediting rates and monthly historical rates for both LUCRF Super and LUCRF Pensions can also be found on our website at www.lucrf.com.au

Awards

LUCRF Pensions has been awarded the highest ratings by independent organisations SuperRatings and Selecting Super.

SuperRatings Platinum award



The prestigious SuperRatings Platinum award is only given to funds that represent the “best value for money”.

LUCRF Pensions has again been rated as a Platinum fund.

AAA Selecting Super award



LUCRF Pensions was recognised amongst the best pension products in Australia as a finalist in the 2009 Retirement Product of the Year – Value Choice category.

LUCRF Pensions has been awarded the top “AAA” Selecting Super rating.

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Whether it’s a corporate award an innovative new business product or your company winning a social sports competition, we’re always looking to share your stories in *Employer SuperNews*.

Call us to arrange for your employer story to be featured.

FREE Super seminars at your workplace

Help your employees take control of their super with a LUCRF Super workplace seminar.

Superannuation can be a complex and confusing topic to understand. Sometimes the best way to understand super is in person. That’s why we run FREE workplace seminars.

Our seminars give your staff the opportunity to have easy access to superannuation professionals and can be held at your workplace during lunch breaks or out of hours – at your convenience.

A little help from the right people now can often make a real difference to the retirement savings of your staff.

To arrange a LUCRF Super workplace seminar, contact:

Soo Chong
General Manager
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0417 537 396.

This information is general in nature and has been prepared without taking into account your objectives, financial situation or needs. Should you require advice that addresses your personal circumstances, we recommend that you contact a person who is authorised to provide personal financial advice. Issued November 2009 by LUCRF Pty Ltd ABN 18 005 502 090 AFSL 258481 RSE Licence L0002981 as Trustee for Labour Union Co-operative Retirement Fund (LUCRF Super) ABN 26 382 680 883 RSE Reg. R1067521. For more information about LUCRF Super, call 1300 130 780 or access our website www.lucrf.com.au for copies of our Member Guide (combined Product Disclosure Statement and Financial Services Guide), which should be considered before making a decision about the Fund.

