

How will the Federal Budget affect your employees?

The 2016/17 Federal Budget has put superannuation in the spotlight. Here are some of the proposed changes that may affect your employees.

Low income super tax offset

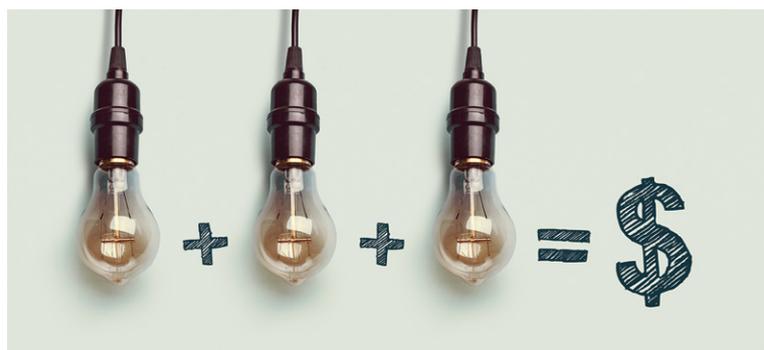
A proposed Low Income Superannuation Tax Offset (LISTO) will reduce tax on super contributions for low-income earners. If an employee has an adjusted taxable income of up to \$37,000 and has had a concessional contribution made on their behalf (including the Superannuation Guarantee), they may receive a refund into their super account, up to a cap of \$500.

Low income spouse tax offset income threshold to be increased

From 1 July 2017, the 18% tax offset of up to \$540 will be available to any individual, whether married or de facto, who makes a super contribution on behalf of a spouse under age 75 earning up to \$37,000. This is an increase from the current threshold of \$10,800.

Personal tax rates

The government proposes an increase to the middle-income tax threshold from \$80,000 to \$87,000 from 1 July 2016. All other tax brackets remain the same.



We're here to help

It's important to remember that these budget changes aren't set in stone – they're subject to the result of the upcoming federal election and being legislated and passed through parliament.

However, if you're unsure about how the changes might affect your employees, call us on **1300 130 780**. Our qualified financial advisers are available to answer any questions you may have, and to help guide your employees on their financial journeys into retirement.

Are you SuperStream ready?

If you're with LUCRF Super, it's easy to become SuperStream compliant.

Under the government's SuperStream initiative, superannuation contributions are made electronically. All your contributions can be made in a single transaction, even if payments are going to multiple super funds. It makes processing contributions more efficient.

Small businesses with 19 or fewer employees have until 30 June 2016 to meet the SuperStream standard. Larger employers should have been using SuperStream since 31 October 2015.

According to a SuperStream Business Engagement Forum held by the Australian Tax Office earlier this year, more than 85% of transactions processed by funds (by volume) now comply with SuperStream. The report also found that more than 135 million contributions are made each year via SuperStream by 790,000 employers.

Our clearing house makes SuperStream easy

We've developed our own clearing house to help your business comply with SuperStream. To make contributions for your employees, you simply send us a file containing their data. Once the data is verified, you make a single payment via electronic funds transfer for all employees, regardless of their super fund.

We then distribute the payments to each employee's fund on your behalf. It's simple, efficient and, if we're your default fund, it's free to use.

To start using our clearing house, or to ask any questions, email clearinghouse@lucrf.com.au or call **1300 130 780**.

Investment update

So far this year, growth assets such as shares have traded in a wide range.

Investors have been taken on a roller-coaster ride, first down through January and mid-February and then up. These market fluctuations reflect the tug-of-war between concerns that the global economy might be weakening and the attempts of central banks around the world to stimulate their economies by keeping interest rates low. Consequently, it's hard to predict the performance of financial markets over the short term – they're likely to continue to be volatile. Much will depend on the policy responses by the biggest contributors to the global economy such as China, Japan, the European Union and the United States.

The good news is that our MySuper Balanced account returned a positive 2.51% over the February-April 2016 quarter, outperforming the Master trust (retail funds) median of 1.93%.

Super accounts				
Option name	Feb-Apr quarter 2016	Rolling 3 year	Rolling 5 year	Rolling 10 year
LUCRF Super – MySuper Balanced	2.51%	7.11%	7.07%	4.42%
Master trust (retail funds) median	1.93%	6.89%	6.31%	3.64%

Source: SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index – April 2016.
Note: past performance is not a reliable indicator of future investment returns.

Over the longer term, we've also outperformed our retail counterparts over the rolling three, five and ten-year periods.



An update from the LUCRF Community Partnership Trust

The LUCRF Community Partnership Trust (CPT) identifies and supports worthy causes that provide important services to people within the communities in which our members live and work. We're proud to share one of our most recent partnerships.

Emerging Pacific Youth Leadership Program

South West Multicultural and Community Centre (SWMACC) is a charitable organisation providing services in the local government area of Campbelltown, NSW. They support people from culturally and linguistically diverse backgrounds, particularly those from Pacific Island communities, who are socially and financially disadvantaged.

The CPT is supporting the SWMACC's Emerging Pacific Youth Leadership Program (EPYLP) to empower and educate emerging leaders through forums, workshops and training, and help them make a positive impact on the world.

If your organisation is in a position to help, a donation to the CPT can make a positive contribution to the lives of people in need. Be part of our journey to making a real difference. Find out more at lucrfcpt.org.au.

Selwyn's story

When Selwyn joined the EPYLP, he was working part-time as a labourer. His passion was community work but he had no qualifications in this field. Since participating in the EPYLP, Selwyn has completed his Certificate IV in Community Services and is now employed by the Department of Education.

As the founder of the #FistsDown social media campaign, Selwyn inspires youths to put a stop to organised fights and brawls. He was invited to present the campaign to Multicultural NSW and is now working towards getting the #FistsDown campaign into schools.

Contact us
1300 130 780
lucrf.com.au

