

EmployerNews

May 2013

How will Stronger Super affect you?

From 1 July 2013 changes are happening in super as a result of government reforms called Stronger Super. These changes are designed to make the super system more efficient and to help grow employees' retirement savings.

Superannuation Guarantee (SG) obligations

As you would know, all employers are required to make compulsory super contributions into complying super funds for all of their eligible employees, known as the Superannuation Guarantee (SG). Over the next six years, the SG rate will gradually increase from 9% to 12% of each eligible employee's gross earnings. From 1 July 2013, the minimum SG rate will increase to 9.25%.

Note: Awards and industrial agreements can stipulate a higher employer contribution rate.

Choice of fund

Under the Choice of Fund rules, your employees generally have the right to choose which super fund receives their SG contributions. Under the same legislation, the SG upper age limit of 70 will be abolished from 1 July 2013.

New data standards for payslips

Also from 1 July 2013, subject to there being no significant payroll system costs, you will be required to report actual super contributions on employees' payslips (rather than just accrued contributions). You will also need to include information about the super fund into which the contributions are being paid.

Date	Change
1 July 2013	SG contributions increase from 9% to 9.25%
	Upper age limit of 70 years for super is abolished
	Payslip reporting of super contributions commences
	LUCRF Super's Balanced (Default) option will automatically become a MySuper product – called MySuper Balanced
1 January 2014	Employers must make contributions to a fund that offers a MySuper product, for those employees who have not chosen a super fund

MySuper

From 1 January 2014, unless an employee has chosen their preferred super fund, you will be required to make default SG contributions to funds offering a MySuper product.

MySuper licensed funds are intended to provide simple, low-cost superannuation products designed to better protect employees' super and retirement savings. This will ensure members do not pay for any unnecessary 'extras' they may not need or use. It will also make it easy to compare super funds based on a few key features.

LUCRF Super has been licensed by the Australian Prudential Regulation Authority (APRA) to offer a MySuper product. It will be called MySuper Balanced and will be on offer from 1 July 2013. Members will see little change as LUCRF Super's Balanced (default) investment option already meets the high benchmark set by the government's MySuper requirements.

Want more information?

We're here to help. We even have a dedicated staff member for employer enquiries – simply call us on **1300 130 780** and ask to speak to Angela Whyte.

 Search for @LUCRFsuper or twitter.com/lucrfsuper

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LUCRFsuper

Australia's first industry fund



Investments update

The third quarter of the financial year was positive, particularly for Australian and international shares, building on the strong performance of the first half. Australian shares returned 25.44%* for the quarter, while international shares returned 15.45%.

LUCRF Super's Balanced (default) investment option – which has almost half of its investments allocated to Australian and international shares – returned 13.56% for the financial year to date (FYTD). It outperformed the Master Trust (Retail Funds) Median returns over the rolling three and ten year periods.

Super accounts			
Option name	FYTD	Rolling 3 year	Rolling 10 year
LUCRF Super – Balanced (default)	13.56%	6.84%	6.93%
Master Trust (Retail Funds) Median	15.17%	5.90%	5.73%

Source: SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, April 2013
 Note: Past performance is not a reliable indicator of future investment returns.
 *ASX 300 Accumulation Index, third-quarter financial year performance
 ^MSCI World ex Australia Index in AUD net return, third-quarter financial year performance

LUCRF Super has worked hard to reduce the exposure to volatility in the Balanced (default) option, to help provide competitive but stable long-term results.

Therefore, it forgoes some potential gains when investment markets are up but minimises losses when investment markets are down.

Contact us

1300 130 780

Web lucrf.com.au
Email mypartner@lucrf.com.au
Post PO Box 211 North Melbourne VIC 3051
Fax (03) 9326 6907

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Employer profile

Polar Fresh delivers on goodwill



Eva Milekovic,
LUCRF Super employer

Meet Eva Milekovic, Human Resources Assistant at storage and distribution provider Polar Fresh. Eva – who has been based at the Laverton, Victoria site for over a year – engages with staff on a daily basis. A typical day involves coordinating staff events like barbecues, looking after recognition and awards, and responding to general human resources queries. “It’s good fun,” she said.

As well as overseeing the delivery of over 600,000 cartons per week as part of its normal operations, Polar Fresh is involved with ‘Second Bite’, an initiative which aims to redistribute surplus fresh food to community programs around Australia. Eva is fortunate to work for an organisation that gives back to the community.

Eva describes herself as a people person, approachable, and happy to help everyone out. In fact, she refers to herself as a “one-stop shop”. Outside of work, as an ex-body builder she enjoys going to the gym and keeping fit.

Get ‘super fit’

Our financial advisers are employees of LUCRF Super, whose sole focus is to help employees best match their financial arrangements to their wants and needs. In fact, our financial advisers can help with any financial matter, not just super. Call us on **1300 130 780** today to arrange a workplace seminar or one-on-one appointments.



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