

Suncorp Staff Superannuation Plan update



Issued 15 September 2011

Important changes to super

Temporary flood and cyclone reconstruction levy (flood levy)

The Government has introduced a flood levy which applies to total taxable income over \$50,000 in the 2011/12 financial year. This includes some super lump sum and pension payments and investment income.

Exemptions apply if you meet one of the criteria below.

- You were a recipient of the Australian Government Disaster Recovery Payment
- You were affected by a disaster declared under the National Disaster Relief and Recovery Arrangements

You are a New Zealand Citizen holding a special category visa and you received an ex-gratia payment in lieu of the Australian Government Disaster Recovery Payment.

You can find out more about the flood levy on the ATO's website www.ato.gov.au

S290-170 – Claiming a tax deduction on personal contributions to super

The ATO has announced a change in the way it calculates the deduction on personal contributions to super.

For contributions made in the 2010/11 financial year if a withdrawal or rollover to another super account occurs after personal contributions are made, this will reduce the maximum amount that can be claimed as a tax deduction for eligible individuals. It is assumed that when a withdrawal or rollover occurs, it is partly funded by the personal contribution. Rollovers to a pension account, whether in part or in full will result in no part of the contribution being tax deductible.

You should speak to your financial adviser or a tax adviser with regards to the impact of this change on your individual circumstances.

Reportable employer superannuation contributions

Employers are required to report salary sacrifice or extra super contributions they make on behalf of their employees. These contributions (RESCs) are included in the income tests for various Government tax and transfer payments.

The Government recently changed the definition of RESCs. Superannuation contributions made as a result of the following:

- the superannuation guarantee law
 - an industrial agreement
 - the trust deed or governing rules of a super fund
 - a federal, state or territory law
- are not reportable.

Excess contributions tax

The ATO now have the discretion to disregard or reallocate excess contributions before an excess contributions tax (ECT) assessment is issued. Individuals who wish to apply for a determination can apply from the time the relevant contributions have been made and within 60 days of receiving an assessment.

Tax File Number

From 1 July 2011, superannuation providers can use Tax File Numbers (TFNs) as a primary form of identifying members. This applies to TFNs regardless of whether they were quoted before or after 1 July 2011. This will enable super funds to identify multiple accounts held by the same member between and across funds and consolidate accounts.

It's not compulsory for super funds to use TFNs to identify member accounts and it remains optional for members to quote their TFN.

Proposed changes to Super

As part of the Federal Budget, the Government announced the following changes. These changes are proposed and will come into effect subject to them being passed in Parliament and becoming law.

You should speak to your financial adviser or a tax adviser regarding these measures before making any financial decisions.

Government super co-contributions

If you are eligible and make personal contributions to your super fund, the Government will match your personal contributions (dollar for dollar) with a co-contribution up to certain limits. The Government will co-contribute a maximum of \$1,000 for 2011/12. The income thresholds (between \$31,920 and \$61,920 pa) that determine eligibility for co-contributions have been frozen until 1 July 2014.

Concessional contributions cap

The Government has proposed the following changes to the concessional contribution caps:

- from 1 July 2012, if you are aged 50 or older you can contribute up to \$50,000 pa of concessional contributions if your total super balance is under \$500,000.
- the concessional contribution limit for individuals aged 50 or older will be \$25,000 above the limit for individuals under age 50 (currently \$25,000).
- up to \$10,000 of excess concessional contributions made from 1 July 2011 may be refunded (first-time breaches). Excess concessional contributions will then be taxed at the individual's marginal tax rate.

For the 2011/12 financial year there are transitional rules in place that allow up to \$50,000 pa of concessional contributions to be contributed without penalty for individuals aged 50 years or older, regardless of their total super balance.

Increase in the Superannuation Guarantee to 12%

The Government has proposed that the Superannuation Guarantee – the minimum percentage of earnings that employers must contribute to superannuation on behalf of their eligible employees – will gradually increase from its current rate of 9%, to 12% by 2019.

Year	Superannuation Guarantee (%)
2013-14	9.25
2014-15	9.50
2015-16	10.00
2016-17	10.50
2017-18	11.00
2018-19	11.50
2019-20	12.00

Increase in the Superannuation Guarantee age limit

Currently an employer is only required to make Superannuation Guarantee payments on behalf of eligible employees up to the age of 70. From 1 July 2013, it is proposed that the age limit will increase to 75.

Low income earners to get Government contribution of up to \$500

The Government has proposed that Australians earning less than \$37,000 pa will receive a Government contribution to their superannuation of up to \$500, paid automatically. The amount payable will be 15% of before tax contributions made and capped at a maximum of \$500.

For example, an employee earning \$30,000 pa receiving an annual Superannuation Guarantee contribution of \$2,700¹ will receive an automatic Government contribution of \$405². The contribution will be payable on concessional contributions made from the 2012/13 financial year, and will be paid in the following financial year.

Note: This example assumes a 9% Superannuation Guarantee paid in 2012/13 financial year for an eligible Government contribution in the 2013/14 financial year.

1 Superannuation Guarantee of \$2,700 calculation: $\$30,000 \times 0.09 = \$2,700$

2 Government contribution of \$405 calculation: $\$2,700 \times 0.15 = \405

Reporting of super on payslips

The amount of superannuation actually paid into employees' accounts must be recorded on payslips from 1 July 2012. In addition, from 1 July 2012, super funds must notify both employers and employees on a quarterly basis where regular super payments have ceased.

Financial assistance to Trio's superannuation fund investors

The Government has introduced a levy on APRA regulated super funds to compensate victims of the Trio collapse. This levy will be paid out of the reserves of the super fund. The minimum levy is \$50 and the maximum levy is \$750,000.

Investments

Sale of SIM Funds Management Limited (SIM) to Nikko Asset Management

On 1 March 2011, Suncorp sold its asset management business, which includes SIM Funds Management Limited (ABN 31 068 147 651) (SIM) to Nikko AM.

The sale doesn't impact the day-to-day activities of the SIM investment management team. The team remains focused on managing members' portfolios.

There's no change to the management of your investment options

The following investment options will continue to be managed by the SIM (ABN 31 068 147 651) (formerly known as Suncorp Metway Investment Management Limited) team:

- Suncorp Australian Equities Fund
- Suncorp International Equities Fund
- Suncorp Capital Guaranteed Fund
- Suncorp Capital Stable Fund
- Suncorp Growth Fund

Partnering with an asset management company of Nikko AM's scale means you'll have access to enhanced capability with genuine international reach, global best practice and specialist investment expertise.

Investment option name changes

The following investment options have had a change of name during the 2010/11 financial year.

Date of change	Old name	New name
30-Jun-11	Suncorp Capital Guaranteed	Suncorp Capital Guaranteed Fund
30-Jun-11	Suncorp Metway Capital Stable	Suncorp Capital Stable Fund
30-Jun-11	Suncorp Metway Australian Fixed Interest	Suncorp Australian Fixed Interest Fund
30-Jun-11	Suncorp Metway Balanced	Suncorp Balanced Fund
30-Jun-11	Suncorp Metway Listed Property Trusts	Suncorp Listed Property Fund
30-Jun-11	Suncorp Metway Growth	Suncorp Growth Fund
30-Jun-11	Suncorp Metway Australian Equities	Suncorp Australian Equities Fund
30-Jun-11	Suncorp Metway International Equities	Suncorp International Equities Fund

Other changes to investment options

The following investment options have had a change in buy/sell spread.

Date	Investment option name	Old fee	New fee
01-Jun-11	Ibbotson Conservative Growth Trust	+/-0.09%	+/-0.13%
01-Jun-11	Ibbotson Balanced Growth Trust	+/-0.14%	+/-0.17%
01-Jun-11	Ibbotson High Growth Trust	+/-0.23%	+/-0.22%

The following investment options have had a change in strategic asset allocation.

Date	Investment option name			
1-Jun-11	Ibbotson Conservative Growth Trust			
		Strategic asset allocation	Range	
			Min	Max
	Australian shares	14.0%	0%	30%
	International shares	10.0%	0%	25%
	Australian property securities	3.0%	0%	15%
	International property securities	1.0%	0%	15%
	Global infrastructure	2.0%	0%	10%
	Australian bonds	16.0%	0%	30%
	International bonds (hedged)	14.0%	0%	30%
	Global inflation-linked securities (hedged)	6.0%	0%	20%
	Cash	28.0%	10%	40%
	Alternative investment strategies	6.0%	0%	25%

Date	Investment option name			
1-Jun-11	Ibbotson Balanced Growth Trust			
		Strategic asset allocation	Range	
			Min	Max
	Australian shares	23.0%	10%	40%
	International shares	17.0%	0%	30%
	Australian property securities	5.0%	0%	20%
	International property securities	2.0%	0%	20%
	Global infrastructure	3.0%	0%	10%
	Australian bonds	13.0%	0%	30%
	International bonds (hedged)	11.0%	0%	30%
	Global inflation-linked securities (hedged)	6.0%	0%	15%
	Cash	12.0%	0%	30%
	Alternative investment strategies	8.0%	0%	25%

Date	Investment option name			
1-Jun-11	Ibbotson Growth Trust			
		Strategic asset allocation	Range	
			Min	Max
	Australian shares	32.0%	15%	45%
	International shares	24.0%	0%	45%
	Australian property securities	7.0%	0%	20%
	International property securities	3.0%	0%	20%
	Global infrastructure	3.0%	0%	15%
	Australian bonds	7.0%	0%	20%
	International bonds (hedged)	6.0%	0%	20%
	Global inflation-linked securities (hedged)	3.0%	0%	15%
	Cash	4.0%	0%	25%
	Alternative investment strategies	11.0%	0%	25%

Date	Investment option name		Range	
1-Jun-11	Ibbotson High Growth Trust			
		Strategic asset allocation	Min	Max
	Australian shares	37.0%	15%	60%
	International shares	28.0%	0%	60%
	Australian property securities	8.0%	0%	25%
	International property securities	4.0%	0%	25%
	Global infrastructure	4.0%	0%	20%
	Australian bonds	3.0%	0%	15%
	International bonds (hedged)	3.0%	0%	15%
	Global inflation-linked securities (hedged)	1.0%	0%	15%
	Cash	3.0%	0%	20%
	Alternative investment strategies	9.0%	0%	25%

Date	Investment option name		Range ¹	
1-Sep-11	Suncorp Capital Stable Fund			
		Strategic asset allocation ¹	Min	Max
	Australian shares	17.0%	10%	30%
	International shares (unhedged)	17.0%	10%	30%
	Australian listed property	3.0%	0%	15%
	Australian fixed interest	15.0%	10%	50%
	International fixed interest	23.0%	10%	30%
	Cash	25.0%	10%	50%

Date	Investment option name		Range ¹	
1-Sep-11	Suncorp Balanced Fund			
		Strategic asset allocation ¹	Min	Max
	Australian shares	35.0%	30%	50%
	International shares (unhedged)	34.0%	30%	50%
	Australian listed property	4.0%	0%	15%
	International property	3.0%	0%	10%
	Infrastructure	5.0%	0%	10%
	Australian fixed interest	3.0%	0%	25%
	International fixed interest	7.0%	0%	15%
	Cash	9.0%	0%	20%

Date	Investment option name		Range ¹	
1-Sep-11	Suncorp Growth Fund			
		Strategic asset allocation ¹	Min	Max
	Australian shares	40.0%	30%	50%
	International shares (unhedged)	39.0%	30%	50%
	Australian listed property	4.0%	0%	15%
	International property	3.0%	0%	10%
	Infrastructure	5.0%	0%	10%
	Australian fixed interest	3.0%	0%	20%
	International fixed interest	3.0%	0%	20%
	Cash	3.0%	0%	20%

¹ SLSL may depart from the strategic asset allocations and ranges.

Investment performance

The following tables show the performance of each investment option for the last five years as at 30 June. Returns are net of some fees and taxes. For more information on how performance is calculated, please see the Suncorp Staff Plan Product Disclosure Statement (PDS) which is available on our website or by calling us.

Investment option	2011	2010	2009	2008	2007	5 year compound average return to 30 June 2011 (% pa)
Conservative						
Suncorp Capital Guaranteed Fund	6.0	5.4	0.0	3.2	11.9	5.2
Moderately conservative						
Suncorp Capital Stable Fund	5.6	8.4	-1.0	-3.8	9.4	3.6
Ibbotson Conservative Growth Trust	6.3	8.7	-4.9	-2.3	7.5	2.9
Suncorp Australian Fixed Interest Fund	4.9	7.3	8.2	2.3	4.6	5.4
Balanced						
Ibbotson Balanced Growth Trust	7.0	9.9	-9.2	-5.9	11.1	2.2
Suncorp Listed Property Fund	4.1	16.7	-37.3	-33.6	25.7	-8.6
Growth						
Suncorp Balanced Fund	8.2	11.4	-11.6	-12.5	15.5	1.5
Suncorp Growth Fund	5.9	8.5	-12.4	-14.2	15.2	-0.1
Ibbotson Growth Trust	7.4	12.2	-14.8	-9.3	14.3	1.3
High growth						
Suncorp Australian Equities Fund	11.4	12.0	-15.8	-14.4	26.2	2.6
Suncorp International Equities Fund	1.2	4.6	-14.2	-17.7	7.7	-4.2
Ibbotson Australian Shares Active Trust	12.3	14.1	-16.4	-13.9	25.0	2.9
Ibbotson International Shares Active (Unhedged) Trust	4.2	5.8	-15.2	-21.6	6.3	-4.9
Ibbotson High Growth Trust	7.3	11.5	-17.0	-12.1	16.0	0.3

Investment performance notes

Past performance should not be taken as an indicator of future performance

Refer to 'How investment performance is calculated' in the PDS

Asset allocation

The following table provides the asset allocation (%) for each investment option as at 30 June.

Investment options	Cash & Other		Australian fixed interest		International fixed interest		Australian shares		International shares		Property	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Conservative												
Suncorp Capital Guaranteed Fund	52.1	53.3	8.0	8.2	3.8	3.8	23.7	22.6	9.9	9.8	2.5	2.3
Moderately conservative												
Suncorp Capital Stable Fund	31.4	27.7	25.4	26.8	13.7	14.9	14.7	14.5	9.8	10.6	5.0	5.5
Ibbotson Conservative Growth Trust	41.7	32.6	13.4	20.4	16.2	21.8	9.9	12.5	11.9	8.4	6.9	4.3
Suncorp Australian Fixed Interest	-	-	100.0	100.0	-	-	-	-	-	-	-	-
Balanced												
Ibbotson Balanced Growth Trust	30.6	24.2	10.0	16.4	11.9	17.5	16.4	20.8	19.7	14.1	11.4	7.0
Suncorp Listed Property Trust	-	-	-	-	-	-	-	-	-	-	100.0	100.0
Growth												
Suncorp Balanced Fund	17.1	14.6	10.8	12.0	3.5	3.9	38.1	38.0	20.0	20.2	10.5	11.3
Suncorp Growth Fund	8.7	7.5	3.7	6.3	4.9	5.0	38.4	37.6	39.2	38.5	5.1	5.1
Ibbotson Growth Trust	24.6	21.0	4.6	9.7	5.4	10.3	22.6	29.3	27.1	19.8	15.7	9.9
High growth												
Ibbotson High Growth Trust	19.8	19.1	1.6	3.5	2.0	3.7	26.4	36.6	31.8	31.8	18.4	12.4

Reserves

A reserve is an unallocated sum of money over and above the amount necessary to back the accumulated account balances of members. The Fund holds certain reserves that are referable to your division of the Fund.

Movement in Reserves

The following table shows the level of and movement in the reserves of the Fund over the past three years ending 30 June 2011.

Suncorp Master Trust

Movement in reserves For the year ended 30 June 2011	2011 \$'000	2010 \$'000
Balance at beginning of year	9,541	14,635
Income/(expenses) not allocated to members during the year:		
Income tax surplus	9,268	5,184
Bank interest	655	543
Bank charges	(49)	(22)
Trustee reimbursements	(5,252)	(9,252)
Administration Fees	(3,943)	(2,358)
Other	(607)	811
Successor fund transfers from related superannuation funds	700	-
Balance at end of year	10,313	9,541

* Of this amount \$700,000 is referable to members of your division

Management of reserves

The Trustee has discretionary powers in the management and use of reserves. Reserves may be used to meet costs reasonably and properly incurred in the administration, development or winding up of your division and which are not inherently included in administration fees already charged by the Trustee. At the present time, the Trustee is of the view that, after making sufficient provision for these costs, any surplus may be allocated to members' accounts in an equitable manner.

As at 30 June 2011, reserves were invested in cash.

Abridged financial information

The following table shows the unaudited abridged financial information of the Fund for the year ended 30 June 2011. A copy of the audited financial report and the auditor's financial report will be made available to members on request after 31 October 2011.

Suncorp Master Trust

Abridged Statement of Financial Position As at 30 June 2011	2011 \$'000	2010 \$'000
Assets		
Cash and cash equivalents	25,621	17,431
Receivables	28,940	32,145
Investments	5,987,863	5,267,862
Total assets	6,042,424	5,317,438
Liabilities		
Benefits payable	14,582	16,092
Other payables	20,884	11,962
Current tax liabilities	11,232	23,608
Total liabilities	46,698	51,662
Net assets available to pay benefits	5,995,726	5,265,776
Liability for accrued benefits		
Allocated to members' accounts	5,985,413	5,256,235
Amounts not yet allocated	10,313	9,541
	5,995,726	5,265,776

Suncorp Master Trust

Abridged Operating Statement For the year ended 30 June 2011	2011 \$'000	2010 \$'000
Investment revenue		
Interest revenue	17,363	20,487
Distributions from unit trusts	350	364
Changes in net market value of investments	322,984	350,090
	340,697	370,941
Contributions revenue		
Employer contributions	285,822	261,400
Member contributions	127,102	120,519
Transfers from other funds	89,136	133,333
Successor fund transfers from related superannuation funds	756,104	2,247,439
Other contributions	5,137	7,074
	1,263,301	2,769,765
Other revenue		
Group insurance claims	26,924	23,627
Compensation amounts	969	988
Member protection rebates	1,655	577
	29,548	25,192
Total revenue	1,633,546	3,165,898

Abridged Operating Statement For the year ended 30 June 2011	2011 \$'000	2010 \$'000
Expenses		
Administration fees	79,930	78,072
Group insurance premiums	84,915	82,430
Superannuation contributions (surcharge) tax	11	44
Other	8,375	2,932
Total expenses	173,231	163,478
Benefits accrued as a result of operations before income tax	1,460,315	3,002,420
Income tax expense	23,563	22,865
Benefits accrued as a result of operations	1,436,752	2,979,555
Liability for accrued benefits		
Liability for accrued benefits at the beginning of the year	5,265,776	2,945,847
Plus: Benefits accrued as a result of operations (excluding successor fund transfers)	680,648	732,116
Plus: Successor fund transfers	756,104	2,247,439
Less: Benefits paid and payable	(706,802)	(659,626)
Liability for accrued benefits at the end of the year	5,995,726	5,265,776

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