



A closer look at the 2009 budget



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The Super 2009 Budget low down

You've probably heard a lot in the news about changes to superannuation in the 2009 Federal budget. Here's the no nonsense budget low down on changes to super to bring you up to date.

Superannuation concessions change

From 1 July 2009, the amount of money that you can contribute to super at a concessional tax rate will change. If you have been contributing more than \$25,000 to super per year, this may affect you.

Government co-contribution temporarily reduced

The Government co-contribution will be temporarily reduced from 1 July 2009.

Pension age changes

From 2017 there will be an increase in the age that you can access the age pension.

Super pensions minimum drawdown

The Government has stated that the 50% reduction in the minimum pension drawdown amount will be extended for 2009/2010.

Read on for the nitty gritty on super changes....

2009 Budget changes

Government co-contribution reduced

What's changed?

If you have been taking advantage of the Government co-contribution initiative, the amount the government will contribute to your super will be temporarily reduced for contributions made after 1 July 2009. If you make contributions to your super and are eligible to access the Government co-contribution next year, the maximum amount the Government will contribute to your super will change from \$1,500 to \$1,000. The rate will then increase to \$1,250 from 2012 and return to the original \$1,500 in 2014.

What does it mean for you?

If you make personal contributions of up to \$1,000 to your super and are eligible, the Government will still match your contribution (but it's now a lower rate). So rather than the Government paying \$1.50 for every dollar you contribute (up to \$1,000), it will now be \$1.00.

For example, if you earn \$30,342 or less and make a personal contribution of \$1,000 to your super this financial year, the government will contribute \$1,500 to your super account. From 1 July, this amount will be reduced to a Government contribution of \$1,000 (which is still good news for boosting your super).

Need help on budget issues?

If you have any concerns about the implications of the 2009 Federal Budget for your super, or would like some general budgeting advice in these testing times, why not see a Quadrant First qualified financial advisor.

You can make an appointment to see Stephen, Kim or David by phoning 1800 222 209 and for Quadrant members this is all part of the service when planning your superannuation strategy.



Stephen Bray



Kim Harper



David Rundle

DON'T MISS OUT ON \$1,500

If the co-contribution changes affect you, there is still an opportunity to make the most of the current limits which remain in place until the changes take effect on 1 July 2009. So, you can still take full advantage of the Government co-contribution at the \$1,500 rate for this financial year.

Annual cap for concessional super contributions

What's changed?

The amount of money you can contribute to super that is taxed at the 15% concessional tax rate (this means your employer contributions plus salary sacrifice) will be halved from 1 July 2009. If you are under 50 years of age the amount you can contribute to super this way will be reduced from \$50,000 to \$25,000 per year. If you are over 50 years of age the annual cap will reduce from \$100,000 to \$50,000 per year. Contributions exceeding these caps will be taxed at 46.5% (ouch!).

What does it mean for you?

If your current contributions to super exceed these new limits, you should seek financial advice to consider new strategies. Grandfathering arrangements may apply to certain Defined Benefits members.

For most of us, this won't be anything to worry about. The Association of Superannuation Funds of Australia (ASFA) predicts that the change will impact less than 4% of people who salary sacrifice into super. For example, if you're currently earning \$50,000 per year and your employer is contributing 9% to your super, this only amounts to \$4,500 annually.

Super's still good

While these reductions do have some impact on the favourable tax environment for super, it's worth remembering that these changes only affect a small percentage of the population and that for most of us, super continues to represent a sound long term investment vehicle for a healthy retirement.

Changes to salary sacrifice

If you have been salary sacrificing part of your income into super, this is important news for you!



The Government has drafted legislation that will change the way they assess your income if you salary sacrifice.

The draft legislation is scheduled to take effect from 1 July 2009. It proposes to include any amount that you might salary sacrifice as part of your income when assessing your eligibility for a number of Government entitlements. It will also be added back into your income to assess any child support payments.

Under the existing arrangements, salary sacrificing has often been an effective strategy to boost your super as well as access additional benefits. This meant that you might have been eligible

to receive the spouse contribution rebate, co-contribution or family tax benefits by reducing your income so that it fell below the respective threshold.

If you are salary sacrificing and paying child support or receiving the age pension, income support payments, family tax benefits, co-contribution or the Commonwealth Seniors Card, it might be time to chat to a Quadrant First financial advisor to see how this change may affect you and your family.

Contact us on 1800 222 209 to make an appointment.

Light at the end of the (long term) tunnel

The volatile investment markets have certainly caused some headaches over the last twelve months. The financial experts have told us that for most people it's probably best to stick with your existing long term strategy and ride out ups and downs of a turbulent economy with your super. And, most importantly take comfort in the fact that over the longer term, superannuation still provides one of the best ways to invest your hard earned dollars for retirement. Although short term returns don't look good with any investments - the long term view can look quite different. For some brighter news on your super, take a look at Quadrant's returns over the last twelve years to May 2009.

Quadrant Investment Choice returns since 30 June 1997

High growth	72.2%	**Moderate	83.4%
Growth	80.1%	Stable	71.7%
*Balanced	n/a	Conservative	51.65%
Sustainable future	60.9%		

Returns as at 6 May 2009. Returns are net of all fees and charges. *New investment option introduced in December 2005 **Moderate investment option was called Balanced before December 2005

Fee change

As a member owned fund, we like to ensure that our fees are kept as low as possible, but like many super funds, the recent market volatility has had an impact on our operating income which means that we've had to review our administration fees. To ensure we maintain a high level of service, it's necessary to increase fees on defined benefit member accounts effective from 1 July 2009. The administration fee will increase from 0.65% to 0.80%. Administration fees are not a direct fee deducted from members accounts, they are included in the crediting rate.

Top budget tips

Need some light relief? Why not try some of these crazy top tips to tighten up your budget...



Budget Tip #1

Save electricity by turning off all the lights in your house and walking around wearing a miner's hat.



Budget Tip #2

Don't waste money on expensive iPods. Simply think of your favourite tune and hum it. If you want to 'switch tracks', simply think of another song you like and hum that instead.



Budget Tip #3

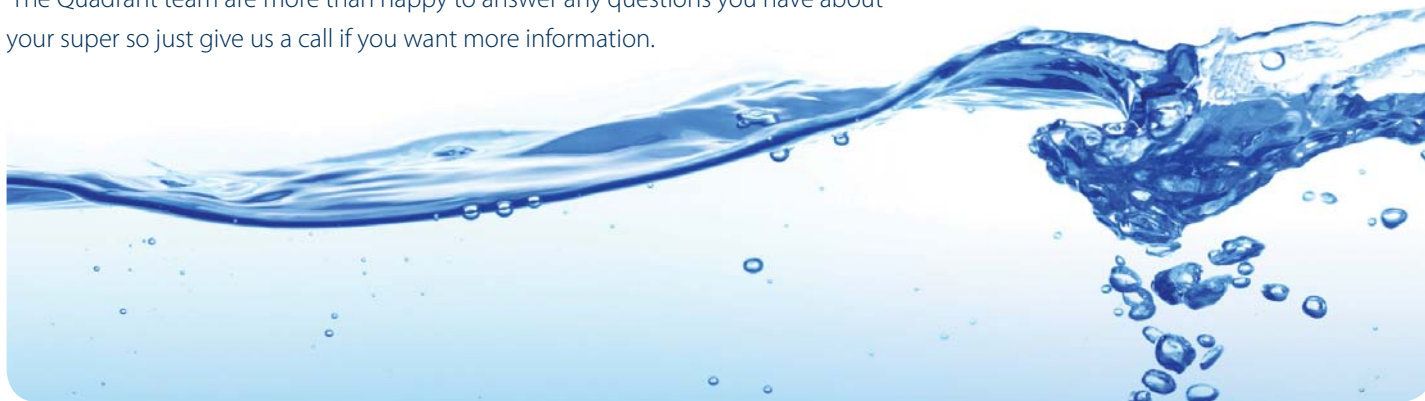
Don't waste money buying expensive binoculars; simply stand closer to the object you wish to view.

Water and sewerage reform

A number of Council employees are moving to the new water and sewerage corporations over the next month or so. Legislation has already been passed by Parliament to protect your employment conditions and entitlements for the first twelve months - this goes for your super too.

We have been very active in working with the new corporations to ensure a smooth transition for Quadrant members' super entitlements. Rest assured, you will receive the same superannuation conditions and benefits that you had with your existing employer.

The Quadrant team are more than happy to answer any questions you have about your super so just give us a call if you want more information.



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You should consider the Product Disclosure Statement before making a decision to join or remain a member of the Quadrant Superannuation Scheme. Please contact us on 1800 222 209 to obtain a free hard copy of our Product Disclosure Statement. Personal financial advice is provided by Quadrant First Pty Ltd AFSL no. 284443.

We've now been awarded gold four years in a row.



Which is great news for Quadrant members.

The difficult economic climate in 2008 did not stop Quadrant from becoming the only locally owned super fund to be awarded a gold rating for the fourth year in a row by leading industry ratings agency, SuperRatings.

This rating reflects Quadrant's commitment to long term goals and prudent decision making, regardless of market conditions. SuperRatings described Quadrant as a "good value for money" super fund which is strong in all assessment areas. Which is really great news for Quadrant members.

**To find out more, call 1800 222 209 or visit
www.quadrantsuper.com.au to find out more.**

