

Welcome to IntheKnow – the Combined Fund's new look newsletter that keeps you 'in the know' on superannuation matters and how to make the most of your benefits.

The new name and look follows the Fund's recent change of name and reflects the broadening of our membership to include organisations in education and related areas. A single topic focus has also been adopted in response to your feedback that previous newsletters have tended to provide too much information.

We hope you find IntheKnow informative and welcome your feedback!

Making the most of recent changes to super and tax

Proposed changes to personal income tax thresholds, an expansion of the superannuation co-contribution scheme and a progressive reduction in the superannuation surcharge should prompt many members to re-evaluate their superannuation arrangements for the new financial year.

Even more reason to make personal contributions in 2004/05

Previous issues of the Combined Fund newsletter informed you about the Government co-contribution that applies to personal superannuation contributions made by low income earners in the 2003/04 tax year.

From 1 July 2004, the Government proposes to expand the co-contribution scheme as follows:

- the co-contribution is to increase to \$1.50 for each \$1 of personal contributions up to a maximum of \$1,500 (currently the co-contribution is \$1 for each \$1 of personal contributions up to a maximum of \$1,000);
- the \$1,500 co-contribution will apply for assessable income up to \$28,000 (currently \$27,500);
- the co-contribution will reduce by 5 cents for each dollar of income over \$28,000 (instead of 8 cents per dollar of income as currently). A co-contribution would therefore still be available to people earning up to \$58,000, not \$40,000 as currently.

These enhancements will result in an annual increase of \$2,500 to your superannuation savings for a personal contribution of only \$1,000 if your assessable income is below \$28,000.

Assuming then that the Government's May Budget announcements are passed into law by Parliament, the following 'rules' for making the most tax-effective contributions will generally apply.

If your assessable income for the year commencing 1 July 2004 will be:

- **less than \$28,000** – contribute at least \$1,000 from after-tax income (any additional contribution you make should also be from after-tax income);
- **between \$28,000 and \$57,500** – contribute \$1,000 from after-tax income and the remainder of your contributions by salary sacrifice;
- **more than \$57,500** – contribute only by salary sacrifice.

NB: If your spouse's assessable income for the year commencing 1 July 2004 will be less than \$10,800 and your taxable income (including employer/salary sacrifice contributions and reportable fringe benefits) will be more than \$115,000, it may be more tax-effective for you to make a spouse contribution of \$3,000 from after-tax salary and then the remainder of your contributions by salary sacrifice.

We will provide further information once the Government has finalised the changes.

Don't miss out this financial year

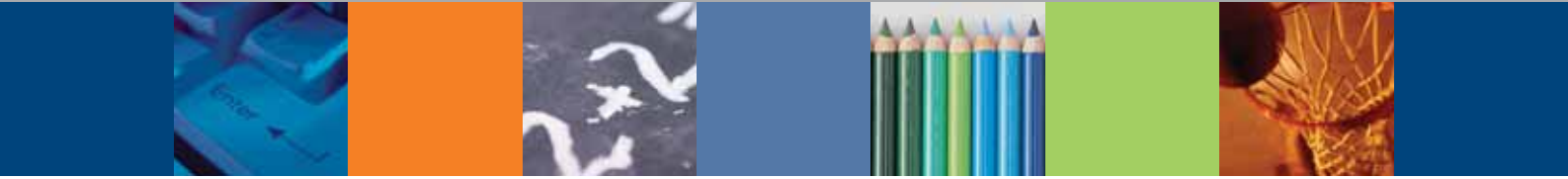
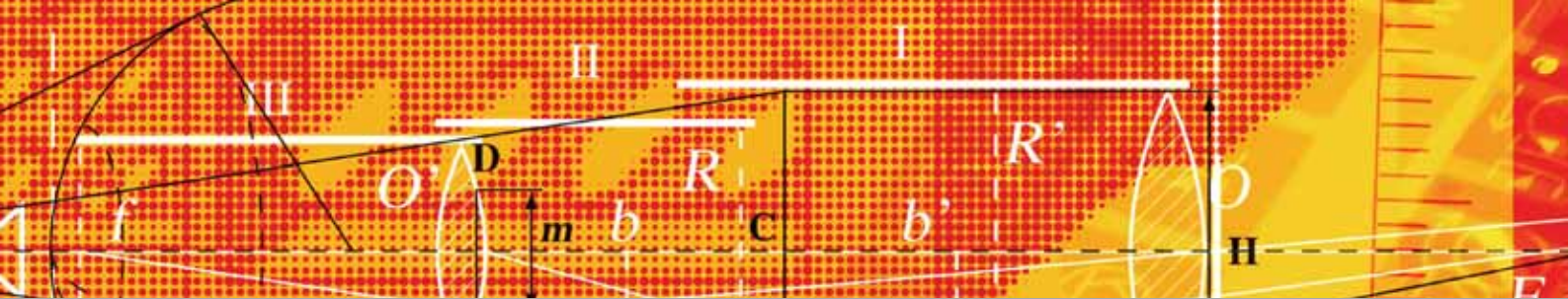
If you, your spouse or other family members earn less than \$27,500 (including reportable fringe benefits) and have had employer contributions this tax year, you or they should consider taking advantage of this valuable benefit before 30 June 2004.

If assessable income will be greater than \$27,500 and less than \$40,000 for the current tax year, you can still make personal contributions to receive some co-contribution.

Members in these income ranges who are currently making pre-tax (salary sacrifice) contributions might also wish to review those arrangements since personal contributions must be from after-tax income in order to qualify for the co-contribution.

Members who wish to discuss their current superannuation position should contact the Fund Administrator on (03) 9691 2900.





Pick the Index Competition

Our last Quarter's competition to predict the S&P/ASX 300 Index closing figure at 30 April 2004 was won by Sheryn Ray of Gippsland Grammar.

As at 30 April 2004, the S&P/ASX 300 Index was

3403.9

Sheryn's entry was the closest.

Here we go again!

To predict the index as at 31 July 2004 complete the details below and fax this page before 15 July 2004 to Group Benefits Pty Ltd, the Administrator of the Fund on (03) 9640 0787.

GB S&P/ASX 300 Index Competition

Name:

Employer:

Phone:

My estimate of the S&P/ASX 300 Index as at 31 July 2004 is:

The winner will receive a voucher for an all-inclusive "Dinner for Two" at a 5 star Restaurant of their choice and a one year subscription to Personal Investment Magazine.

Member Investment Options – Unit Prices

The following are the respective Unit Prices for each Investment Option as at 31 March 2004 and also at 30 April 2004:

	Unit Price		%
	31/03/2004	30/04/2004	
Australian Shares	1.63701	1.63439	(0.16)
International Shares	0.87334	0.88847	1.73
Fixed Interest	1.29289	1.29131	(0.12)
Property	1.51871	1.52673	0.53
Balanced	1.32247	1.32817	0.43
Capital Stable	1.29928	1.30130	0.16
Ethical	1.17513	1.18025	0.44
Cash	1.22432	1.22831	0.33

Unit prices are updated each month on our web site.

Look out for major enhancements to the web site in coming months, details to be provided soon.

Feedback or questions?

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