

Partnership Update

Legislation & Federal Budget
Update

June 2021



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Speakers



Janine Robertson

Business Manager, Member and
Corporate Services

smartMonday



Saffron Sweeney

Principal, Actuary

Aon



Roshan Singappuli

Head of smartPartners

smartMonday

Superannuation Update 2021

Our agenda.

Your Future, Your Super

Stapling
Performance
Member Outcomes
Additional 1 July Changes

Federal Budget 2021

Women
Lower income measures
Home ownership
Older Australians

smartMonday Update

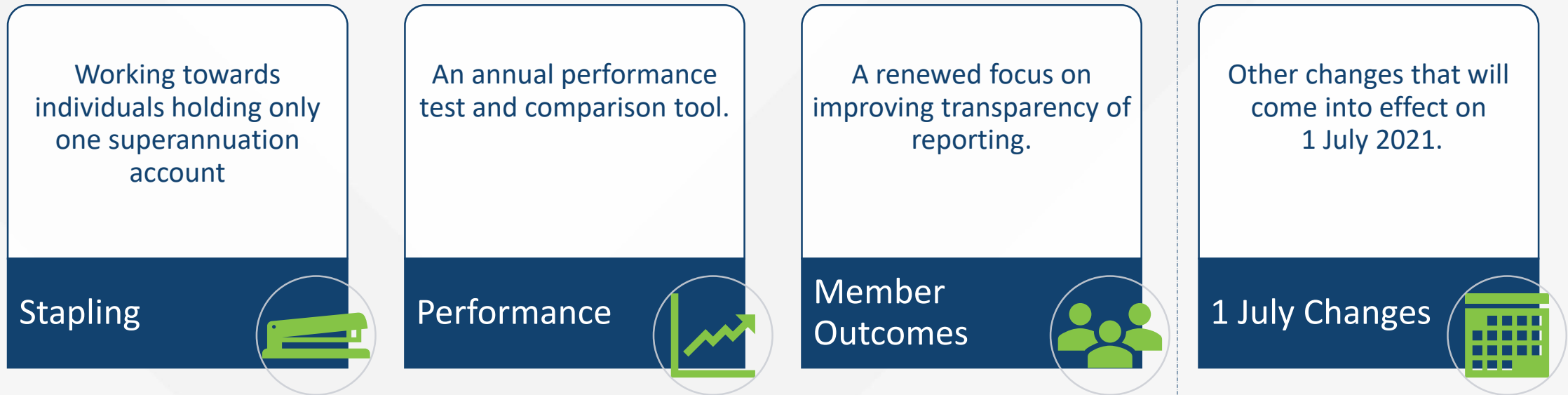
Investment Returns
Action

NOTE: Legislation not final at time of recording

Your Future, Your Super (YFYS)

Proposed effective date:
1 July 2021

The legislation is focused on delivering better outcomes for members through three key areas.



NOTE: Legislation not final at time of recording

Additional 1 July Changes

These changes do not form part of the YFYS legislation

SG Increase	<ul style="list-style-type: none">• Superannuation Guarantee set to increase to 10%
Maximum SG contribution	<ul style="list-style-type: none">• Maximum annual SG contribution increases to \$23,568 (annual salary of \$235,680)
Concessional Contributions Cap	<ul style="list-style-type: none">• Increases to \$27,500 (from \$25,000) for all ages
Non-concessional contributions cap	<ul style="list-style-type: none">• Increases to \$110,000 per year (from \$100,000)
Minimum pension drawdown	<ul style="list-style-type: none">• Minimum pension drawdowns will remain at reduced rates until 30 June 2022 (COVID-19 measure of 50%)

Federal Budget Update 2021

A range of measures announced in the Federal Budget impact Superannuation, largely regarding contributions and withdrawals.

There are no fundamental structural changes to the industry.



Women's measures in the Federal Budget

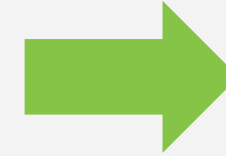
0.38%
of total budget

OCTOBER 2020



0.58%
of total budget

MAY 2021



Half is in
childcare

MAY 2021

\$1.1 billion for
women's safety

- Violence prevention
- Grants for women fleeing domestic violence
- Crisis accommodation
- Consent education
- Women's legal services
- ABS data improvements
- Aboriginal and Torres Strait Islander personal safety survey

Some steps forward, more is needed

- No targeted updates to close the superannuation gap for women
- No structural reform addressing workforce issues
- Older women at risk of homelessness overlooked
- First nations women received some limited targeted support

Lower Income Measures

Removal of \$450 threshold for Superannuation Guarantee (SG)

Effective: 1 July 2022

Action: Assess and understand impacts to your business.

All employees, regardless of income, will become eligible for SG payments

Low and Middle Income Tax Offset (LMITO)

Effective: Continues in 2021-22 Financial Year

ACTION: None

LMITO will be calculated and applied with the lodging of annual tax returns by individuals

Home Ownership

First Home Super Saver Scheme

Increased to \$50,000

Family Home Guarantee

Government guarantee of 18% of a home loan for 10,000 single parents

New Home Guarantee

10,000 first home owners build or purchase a new home with a deposit as low as 5%

<https://www.ato.gov.au/individuals/super/withdrawing-and-using-your-super/first-home-super-saver-scheme/>



Older Australians

\$17.7 billion

Toward aged care over 5 years

Downsizer contributions

Age reduced to 60 from July 2022. Downsizers can add \$300,000 (each) to super without being counted towards the contribution cap

Work Test Amended

From 1 July 2022 the work test (40 hours in 30 days) will no longer apply to those aged 67 years to 74 years

Investment Returns

- Unusual market conditions
- Super is long term
- Cash has risk too



ASX 300
MSCI World in AUD

Source: FactSet

smartMonday vs SuperRatings peer medians

As at 31 March 2021

Our tactical positioning seeks to benefit from strengthening global growth

Super Option	1 Year %	3 years p.a. %	5 years p.a. %
MySuper age 45 (80% Growth Assets)	24.5	9.4	10.1
Peer group median	18.7	7.3	8.3
High Growth - Index	32.2	10.3	10.5
High Growth - Active	31.8	8.8	10.0
Peer group median	28.6	9.5	10.2
Growth - Index	27.5	9.4	9.4
Growth - Active	28.1	8.0	8.9
Peer group median	24.3	8.3	9.3
Balanced Growth - Index	22.1	8.3	8.2
Balanced Growth - Active	23.2	7.3	7.9
Peer group median	19.3	7.2	8.1
Moderate - Index	8.6	4.7	4.4
Moderate - Active	10.4	4.2	4.5
Peer group median	7.9	4.2	4.6
Defensive - Index	4.1	2.3	2.0
Defensive - Active	6.4	2.3	2.3
Peer group median	3.6	1.9	2.2

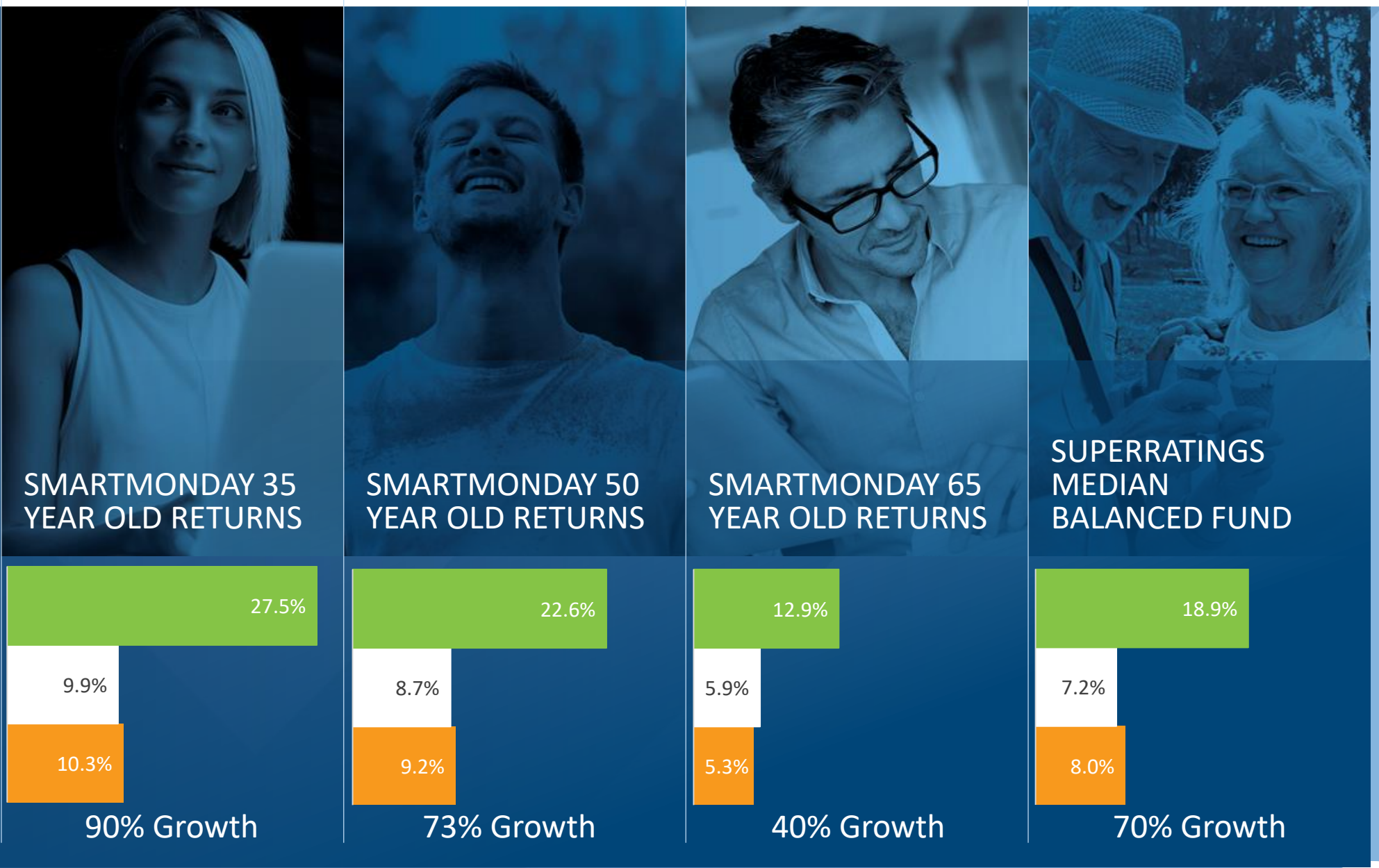
Source: SuperRatings

Green denotes outperformance of median manager

Past performance is not a reliable indicator of future performance

Investment returns to 31 March 2021

- 1 Year
- 3 Year
- 5 Year



To the same month end date, the AustralianSuper MySuper 5 year return was 9.8%, AwareSuper Growth 5 year return was 9.2%, Hesta MySuper 5 year return was 8.6%, and the Hostplus MySuper 5 year return was 9.7%.

Source: SuperRatings Balanced (60-76%) Index, Aon. Annualised and shown net of investment fees and taxes. Past performance is not a guide to future performance.

Summary & Action

Your Future, Your Super

Robust process for
new employees

Connect with your smartPartner

Help is available

\$450 rule change
Super Guarantee increase
Other queries

Contact Us

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Or your regular contact at Aon or
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