



A word from the **Chairman**

Catholic Super Funds to Merge

After many months of discussion, I'm happy to announce that we have started the process which might lead to a merger between National Catholic Superannuation Fund (NCSF) and Catholic Superannuation Fund (CSF) early next year.

The merged Catholic fund will have approximately 73,000 members, around \$3 billion of funds under management and offer its members and employers a broader range of services and options.

Bringing the two funds together makes sense. As one larger fund, we will gain efficiencies and be able to meet the growing demands of our members across the country.

As one entity, we will truly be an Australia-wide and more diversified fund. With greater scale and a broader national network, we will be able to respond to member and employer needs effectively and efficiently.

Both funds operate on the same principles and Church values. Both return all profits to their members, do not pay nor receive commissions, have similar approaches to governance, are easily accessible to the public (as 'public offer' funds) and are committed to strong investment performance under high standards of environmental, social and governance responsibility.

We will continue our strategy to be a low fee, strong performing and responsible investor fund.

Members will have a greater choice of benefits at their disposal. In addition to having access to licensed financial planning advice through CSF Financial Services, members of the merged fund will have the choice of generous death, total disability and income

protection insurance cover, discounted health insurance with Medibank Private, general insurance discounts through Catholic Church Insurances and attractive loans from Members Equity Bank. Of course, members will still be able to choose from a range of investment options and allocated pensions.

In deciding whether to merge, we are applying the same test to everything we examine – 'Is this in the best interests of our members?' At this stage, we are convinced the answer is 'yes' and we will continue to assess the opportunities which a merger offers as we proceed through the process.

Following the merger, both NCSF and Catholic Super will immediately begin co-ordination of their member services' divisions, expansion of member education programs and our pension service-centre as well as additional online facilities over the coming year.

Through our usual forms of communications, we will keep you informed on our progress towards forming a single fund over the coming twelve months.

If you'd like more detail and the ability to track that progress, a dedicated website has been set-up at www.merger.ncsf.csf.com.au.

Peter Rush
Chairman



Co-contribution could boost your super by **\$1,500**

Members who earn less than \$30,342* per year may get up to \$1,500 each year tax free! If you earn more than \$30,342 but less than \$60,342* you may still be eligible for part of the payment.

In the past financial year ended 30 June 2008, over 4,000 National Catholic Super members made additional personal (after-tax) contributions to their super to take advantage of the Government co-contribution. National Catholic Super has received in excess of \$2.9 million from the Government to allocate to members' accounts. This is a great result. If you are eligible, don't miss out this year!

Are you entitled to the co-contribution?

To receive the payment, you will have to make a post-tax superannuation contribution yourself, and meet the criteria listed below:

- Your total assessable income is less than \$60,342 this financial year.
- 10% or more of your total income is from eligible employment, running a business or a combination of both.
- You are a permanent Australian resident.
- You are less than 71 years of age at the end of the financial year.
- You lodge a tax return for the current financial year.
- You do not claim a tax deduction for at least some of your personal contributions in your income tax return.

How much can I get?

You will receive \$1.50 for every dollar of your own voluntary contribution. The maximum amount of \$1,500 is available to those who earn \$30,342 or less. The \$1,500 reduces by 5 cents for each dollar of income you earn over \$30,342 up to an income of \$60,342 where it phases out completely. Use the following table as a guide to how much you would have to contribute to receive the maximum co-contribution.

* These amounts apply for the 2008/09 tax year and are adjusted in line with movement in Average Weekly Ordinary Time earnings (AWOTE).

Your assessable income	Your personal contribution	Your maximum co-contribution entitlement
\$30,342	\$1,000	\$1,500
\$36,342	\$800	\$1,200
\$42,342	\$600	\$900
\$48,342	\$400	\$600
\$54,342	\$200	\$300
\$60,342	Nil	Nil

For example, Melanie estimates that her assessable income will be \$36,342. If Melanie contributes \$800 after tax to her super account, she will be entitled to a co-contribution of \$1,200. She can contribute more than \$800, but she will receive a maximum of \$1,200 from the Government.

When will I get it?

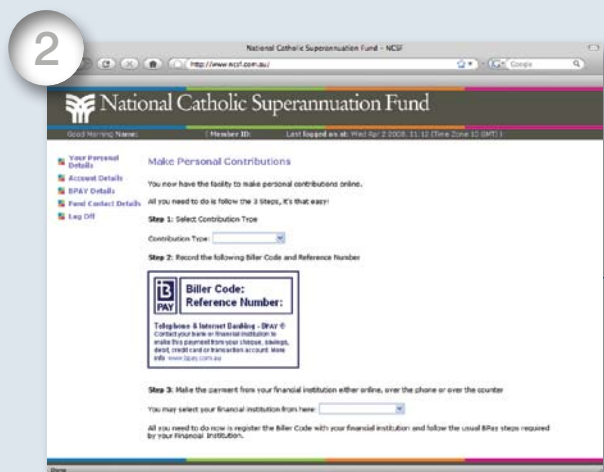
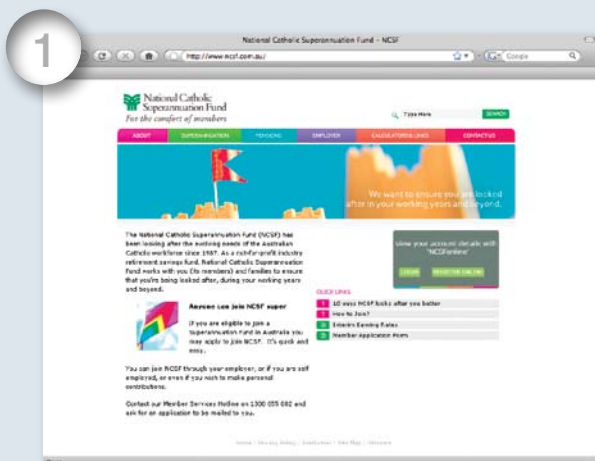
You don't have to apply for the Government co-contribution. The Australian Tax Office (ATO) will use information from your personal tax return and contribution information from National Catholic Super to work out whether you are eligible. The ATO will automatically calculate the amount of co-contribution, deposit it in your super account and send you a letter of confirmation.

Salary sacrifice and co-contribution eligibility

Even if your gross salary exceeds \$60,342 you may still be eligible for the co-contribution. For example, Jim earns a salary of \$65,342. Jim salary sacrifices \$23,000 into superannuation this year. This will result in his assessable income reducing to \$42,342. If Jim then makes an after-tax contribution of \$600 to his super account, he will be entitled to a co-contribution of \$900.

In their May 2008 Budget the Government announced that from 1 July 2009, using salary sacrifice to reduce your taxable income will no longer give you access to the co-contribution. While you can still enjoy the benefit of salary sacrifice in reducing your taxable income, you will not be eligible for the co-contribution on that basis. If this change does take effect the 2008/2009 financial year may be the last year where this is possible.

How to access NCSFonline





What do I do now?

If you think you are eligible for a Government co-contribution and wish to make an after-tax contribution to your account to be effective for this current financial year, you can choose to make your payment either by BPAY® or a personal cheque.

To use BPAY®, all you need to do is log on to NCSFonline through www.ncsf.com.au (if you have not used NCSFonline before you will need to register first) it's that simple, otherwise send your cheque made payable to *National Catholic Superannuation Fund* for the amount you wish to contribute and post to:

**National Catholic
Superannuation Fund
Reply Paid 180
Melbourne VIC 8060**

(No postage stamp required)

1. You can access NCSFonline via the home page of the NCSF website at www.ncsf.com.au. Use the 'Register Online' button and follow the prompts to set up online access to your account.

2. Once registered you can access NCSFonline at any time using your member number and password. Use the menu on the left to find your way around NCSFonline and to make a payment online using BPAY®.

What's new with National Catholic Super?



A new way of valuing your super

An ongoing strategy of National Catholic Super is to ensure it continues to provide you with a competitive Fund and we're about to introduce a new way to value your investment and allocate investment earnings, called Unit Pricing. Unlike earning rates which are calculated on a yearly basis, with unit pricing investment earnings will be calculated weekly (as reflected by the change in the value of investments and unit prices). This provides a more equitable way of valuing your super at any given time. National Catholic Super anticipates that unit pricing will commence in September 2009.

How will we keep you informed of all these changes?

To keep you informed of the potential merger between NCSF and CSF and Unit Pricing, we will be providing you with several communications. This is to ensure you are kept informed of what's happening with your super fund as well as ensuring we are following compliance guidelines.

The next *SuperNews* communication is scheduled for the first week of June, and will provide you with a free investment switch as well as giving you an opportunity to update your personal details.

Legislative updates

Temporary residents

If temporary resident visa holders do not claim their superannuation benefit within six months of the date they depart Australia, National Catholic Super is now required to pay that benefit to the ATO. The temporary resident visa holder will then have to apply to the ATO to claim their benefit.

Effective 1 April 2009 the tax rates are 35% for a taxed element and 45% for an untaxed element of a taxable component.

Changes to beneficiary definitions, family law and spouse contribution splitting

The Federal Government has passed the *Same Sex Relationships (Equal Treatment in Commonwealth Laws – Superannuation) Act 2008*.

Effective from 4 December 2008 same sex couples can now apply to receive death benefit payments. The legislation now includes the following definitions:

The spouse, in relation to a person, includes:

- (a) another person (whether of the same sex or a different sex) with whom the person is in a relationship that is registered under a law of a State or Territory prescribed for the purposes of section 22B of the *Acts Interpretation Act 1901* as a kind of relationship prescribed for the purposes of that section; and
- (b) another person who, although not legally married to the person, lives with the person on a genuine domestic basis in a relationship as a couple.

The Federal Government also passed the *Family Law Amendment (De Facto Financial Matters and Other Measures) Act 2008*.

Effective 1 March 2009, this law enables the courts to make orders splitting superannuation benefits between de facto couples (except in the states of Western Australia and South Australia). A de facto couple includes two people of the same or opposite sex.

In the legislative change referred to above, an expanded definition of 'spouse' became law in order to include a same-sex partner. The change was backdated to 1 July 2008. From the end of the current financial year, members will be able to transfer contributions that are able to be split to the super account of a partner of the same sex.

Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF)

Superannuation funds must now have measures in place to minimise the risk that members' accounts might be used for laundering money or financing terrorism. As a result, National Catholic Super requires members to verify their identity when withdrawing their benefit or setting up a pension.

We've recently revised our forms to ensure that these identification requirements are known to members. Please ensure you use the most recent forms available which can be downloaded from www.ncsf.com.au or call **1300 655 002**.

Pension relief

On 18 February 2009, the Government announced relief from minimum account-based pension draw down requirements. For National Catholic Super members this applies to all of our pensions, including pre-retirement.

This measure is a response to concerns that meeting the minimum draw down amount in 2008-2009 could mean having to sell investment assets and realise losses in a depressed market.

Recipients will only need to take 50% of their Government prescribed minimum annual income requirement. At this stage, we understand that the 50% reduction will apply only for the 2008-2009 financial year.

This means, for instance, that pension income recipients who have already received at least half the minimum payment amount in this tax year can suspend income payments for the rest of this financial year.

If you are considering stopping your pension payments contact Member Services on 1300 655 002 or download a Pension Payment Amendment form from our website www.ncsf.com.au.

Financial services assistance

CSF Financial Services

We now offer access to external financial advisers through CSF Financial Services. CSF Financial Services are also offering their assistance to members who have been affected by the recent bushfires and floods. To arrange a speedy cost-free appointment contact Member Services on 1300 655 002.

The Financial Ombudsman Service has established a dedicated hotline for all bushfire and flood victims seeking help and information on insurance or other financial issues experienced as a result of the disasters. Please call 1800 337 444 and your call will be put directly through to their disaster helpline team, or you can email the team at GIDisaster@fos.org.au.

Disaster relief

Along with our fellow Australians the thoughts of those at National Catholic Super are with all those who have been personally affected by the recent disasters. For those who have lost everything, superannuation may be all they have left. We would like members to know that it may be possible to access your super in case of financial hardship however there are only quite specific circumstances where the money can be released early. For further information please contact Member Services on 1300 655 002.



Make home ownership a reality with a first home saver account



MembersEquity

The Super Funds Bank

As a valued member of the Fund we are pleased to provide you with information about the following benefit from Members Equity Bank.

Members Equity Bank is a licensed Australian bank, owned by some of Australia's leading Industry Super Funds and was formed to provide great value in financial services to their members.

The Members Equity Bank First Home Saver Account is a great way to kick-start your deposit for your first home. Your savings will earn high interest, won't be charged bank fees and receive a 17.00% p.a. Government contribution on your first \$5,000 saved in each financial year. This means the Government will pay up to \$850 into your account each year.

While there is no minimum contribution required to earn interest on your balance from Members Equity Bank, you must save a minimum of \$1,000 per financial year to receive a Government contribution.

Once you have held the account for a minimum of four financial years, you can withdraw your savings tax free to buy or build your first home to live in.

Members Equity Bank has developed a detailed microsite with everything you should know about a First Home Saver Account. Visit www.membersequitybank.com.au/firsthomesaver for more information.

Subject to Government eligibility and withdrawal criteria. This information does not take into account your situation and you should consider if this product is appropriate for you. Before you make any decisions about the Members Equity Bank First Home Saver Account you should review the Product Disclosure Statement and Terms and Conditions available from Members Equity Bank. This information was issued by Members Equity Bank Pty Ltd ABN 56 070 887 679 AFSL 229500. The information is about a product issued by Members Equity Bank available to you as a member of National Catholic Super Fund ABN 16 914 589 089. National Catholic Super Fund and ME are not agents or representatives of one another. This isn't a recommendation or an expression of an opinion by National Catholic Super Fund that you acquire the product. National Catholic Super Fund does not accept responsibility or liability for any loss or damage caused by the products and services provided by ME. For information about First Home Saver Accounts generally you may wish to visit the ATO website or the ASIC website.

National Catholic Superannuation Fund

GPO Box 180 Melbourne VIC 3001

Phone: (03) 9934 3000

Facsimile: (03) 9934 3465

Website: www.ncsf.com.au

Member Services Hotline: 1300 655 002

Disclaimer

Although we make every attempt to ensure the information in this document is accurate and up to date at the time of its publication, legislative and other changes after the date of publication may affect the accuracy of some of the information contained in this document. To find out about updated information that is not materially adverse to you contact Member Services on 1300 655 002.

The background is a light green color with several abstract, overlapping shapes in a slightly darker shade of green. These shapes include curved bands and pointed, leaf-like forms, creating a sense of movement and organic growth. The overall aesthetic is clean and modern, with a focus on environmental themes.

Your **2009** Annual Report

Go green
and save the
environment!

Your **2009** Annual Report

Feel a sense of peace,
knowing that you are
doing all you can to
go green and **save**
the environment.

A change in superannuation rules
and National Catholic Super's aim
to assist in saving the environment
now enables you to receive your
2009 Annual Report online.

If you do not wish to access your
Annual Report online you can elect
to receive a hard copy of the Annual
Report free of charge by completing
the following details and returning it to:

**National Catholic
Superannuation Fund
Reply Paid 180
Melbourne VIC 8060**

(No postage stamp required)

We will then forward you a copy of
the Annual Report together with your
Periodic Statement for the 2008/2009
financial year.

Member Number

Employer Number

Name

Address

Suburb

State

Post Code

Please tick box

I

wish to receive a hard copy of
the 2009 Annual Report with my
Periodic Statement for the 2008/2009
financial year.

Signature

