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Manildra Flour Mills Retirement Fund Pty Limited
www.super.manildra.com.au

Newsletter May 2023

In light of high inflation and ongoing economic and geopolitical uncertainty, the recent 2023-2024 Federal Budget focussed on addressing cost of living pressures for households. The Budget confirmed two previously announced changes to superannuation; see below for the headlines and what they could mean for you.

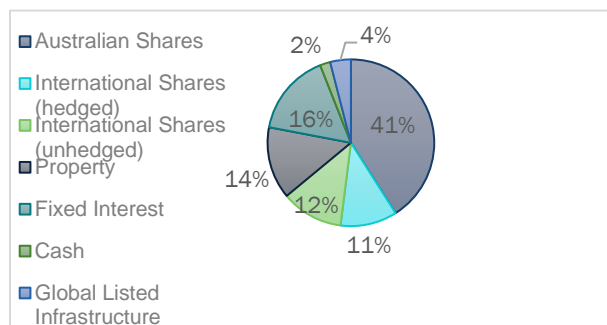
“The 2022 calendar year suffered through a bear market in equities, the highest inflation surge since the 1970s, and the worst year on record for investment grade fixed income” according to David Carruthers and Dan Leslie of Investment Magazine. This resulted in weak superannuation performance for MySuper options where most funds produced negative returns and performance across the top ten funds ranging from -3.6% to 1.7%. However, this is a good reminder that superannuation is a long-term investment and members should be looking for a fund with good performance consistency rather than single year results. The Trustee believes its investment strategy is well placed to achieve its long-term objectives for its members. The Fund’s return for the Financial Year to date is 8.5%.

Quarterly Investment performance:

The Fund’s return for the quarter ending 31 March 2023 was 3.1% after fees and taxes as shown in the table below:

Period to 31 March 2023	Fund Return
3 months	3.1%
9 months	8.5%

The Fund’s asset allocation as at 31 March 2023 is as follows:



Superannuation is a long-term investment. Past performance is not a reliable indicator of future performance. Markets go up and down and downturns are a normal part of the economic cycle. The returns shown are net of fees and taxes.

Your return may not be the same as the return shown. It will depend on whether you were a member for the entire period, any changes you have made and the timing of those changes. This is due to investment return fluctuations throughout the period.

This document was prepared by Manildra Flour Mills Retirement Fund Pty Limited (ABN 74 065 680 195; AFSL 530609) the Trustee of the Manildra Flour Mills Retirement Fund (ABN 32 448 411 930; RSE Licence number L0003155;).

Disclaimer: This document does not take into account your financial situation, objectives or needs. No director of the Trustee nor any of its advisers are licensed to provide personal financial advice. Before making any decision about your superannuation, you should obtain advice from a licensed financial adviser, read the relevant Product Disclosure Statement and consider any relevant risk.

Federal Budget 2023-2024

This year's Federal Budget contained two main changes for superannuation.

Introducing 'payday super' – proposed start date 1 July 2026

The Federal Government proposes to introduce legislation requiring employers to make compulsory Super Guarantee (SG) contributions to your super account at the same time as salary and wages are paid. Currently, SG contributions are paid at least quarterly.

These changes will make it easier for members to track their employer super contributions and check that payments have come through as expected. More regular payments also mean that your money is invested sooner with more potential for compounding and growth in your super balance. It is expected that these changes will improve retirement outcomes for around 8.9 million Australians, including young and low-income and casual workers who are most likely to have unpaid super.

The ATO will receive additional resourcing to help it detect unpaid super payments earlier and the Government will set enhanced targets for the ATO for the recovery of payments.

The proposed start date of 1 July 2026 is intended to provide employers, superannuation funds, payroll providers, the ATO and other parts of the superannuation system with sufficient time to prepare for the change.

The Government will consult in the second half of 2023 on the implementation of the changes and more details will be shared with members as they become available.

Reduced tax concession above \$3 million threshold – proposed start date 1 July 2025

The Government confirmed its intent to reduce tax concessions available to people with a total superannuation balance of over \$3 million from 1 July 2025.

Under the proposed change, individuals with total super balances over \$3 million will be subject to an additional 15% tax on investment earnings on any balance that exceeds this threshold at the end of the financial year. This tax is in addition to any tax already paid by the superfund on any investment earnings in your super or transition to retirement account. The change increases the tax on earnings that corresponds to the portion of an individual's balance greater than \$3 million from 15% to 30%. As announced, the \$3m threshold is not indexed.

It is not yet clear how the government will administer this new tax.

Reminder of other key changes to super starting 1 July 2023

- The contributions that your employer is required to make into your super account will rise from the current rate of 10.5% to 11%.
- The temporary 50% reduction of the minimum pension drawdown rates, introduced during the COVID pandemic, will end on 30 June 2023. The return to the government's standard minimum drawdown rates will apply from 1 July 2023.
- The general Transfer Balance Cap will increase from \$1.7 million to \$1.9 million. This cap is the maximum amount of your superannuation that can be transferred from super into an income stream, where investment earnings are tax-free.
- The maximum government super co-contribution entitlement remains at \$500, however the lower-income threshold increases to \$43,445 p.a. and the higher-income threshold increases to \$58,445 p.a.

Preservation Age:

Access to super benefits is generally restricted to members who have reached Preservation Age. Your Preservation Age ranges from 55 to 60, depending on your date of birth:

Date of birth	Preservation age (years)
Before 1 July 1960	55
1 July 1960- 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

Once you reach Preservation Age and retire, you have full access to your benefits. If you have reached Preservation Age but have not retired, you may start a Transition to Retirement (TTR) account which allows you partial access to your benefits.

Once you reach 65, you have full access to your benefits.

Between Preservation Age and 60, there may be some tax payable on any benefit withdrawals. There is no tax payable on benefit withdrawals once you reach 60.

Contribution caps from 1 July 2023:

Contributions	Limits
Concessional Contributions	\$27,500
Non-concessional contributions	\$110,000

From 1 July 2023, the minimum contribution paid by your employer will increase to 11% of your ordinary time earnings; it is scheduled to increase progressively to 12% by July 2025.

Knowing how much super you need

Many people underestimate the amount of super they will need on retirement. The rule of thumb is that two-thirds¹ of a person's (who own their own home) pre-retirement income is needed to maintain their standard of living in retirement. However, how much you need in retirement will depend on the lifestyle that you want.

Some things to consider in understanding how much super you need in retirement:

- Work out how you are currently spending your money with [ASIC's MoneySmart Budget planner](#)
- Estimate what your balance could be at retirement with [ASIC's MoneySmart Superannuation calculator](#)
- If you have multiple super accounts, consider combining them to reduce fees payable.
- For members closer to retirement age, understand your full entitlements – the [Commonwealth Seniors Health Card](#) is a good place to start.



¹ Source: Moneysmart.gov.au

Know your Alternate Directors:

The Fund has three Alternate Directors who are able to step in to act when a Director is unavailable to attend a Board meeting. Alternate Directors attend meetings and keep abreast of relevant issues ensuring that they are able to make meaningful contributions should they be required to step in to act for a Director.



Debra Forster

Debbie is the Head of Ethanol (Commercial & Logistics) for the Manildra Group. She has worked for the Manildra Group for just over 19 years. Debbie has extensive experience in the supply chain of alcohol, raw materials, and specialty products to major industry segments domestically and internationally. Prior to joining Manildra, she worked for organisations including Scott Chemicals Australia, Amtrade & ICI Explosives. Debbie has recently been appointed as an Alternate Director of MFMRF. Debbie is very passionate about gin, spirits, and anything to do with Ethanol. Always happy to share great recommendations for restaurants, bars & travel destinations.

For more information about the Fund

Refer to www.super.manildra.com.au for more information about the Fund, relevant forms, PDS and notices.