



Welcome to the December 2010 issue of the Pulse.....

Market Update

How has Health Super performed?

Recently, Health Super announced that it may be merging with First State Super, a large NSW based industry fund. This exciting opportunity will assist Health Super to deliver its members superior investment returns and service, at a highly competitive price.

You can follow the progress of the proposed merger by reading the regular updates published on the Health Super website www.healthsuper.com.au

Health Super was recently awarded “**Retirement Fund of the Year – Value Choice**” by Selecting Super. With Health Super’s performance featuring prominently in the top 10 funds in the country, it is pleasing to see that members have been rewarded for choosing Health Super to take care of their retirement funds.

Looking ahead into 2011, we see the superannuation environment becoming even more competitive. We have recently seen an increase in Health Super members being pressured into transferring their superannuation into a more expensive and poor performing superannuation fund.

Remember that Health Super Pension Members are entitled to free financial planning consultations, be it by phone or in person. We recommend and encourage you to have a discussion with one of our financial planners at least annually, to ensure your retirement plan is still current in the face of any legislative changes, and the volatile investment climate.

The table below illustrates how the investment options in Health Super Pension have performed to 31 October 2010 over one, five and seven years, and its relevant ranking in the **Top 50 funds for that same period**:

Option	1 Year	Ranking	5 Year	Ranking	7 Year	Ranking
Long Term Growth	11	6	5.3	8	8.5	5
Medium Term Growth	11.2	4	5.9	5	8.3	1
Balanced	10.9	5	6	4	7.9	5
Short Term Conservative	9.6	8	6	9	7.2	8
Stopover	4.8	19	5.9	2	6	1





How to boost your Superannuation earnings

Want to increase your superannuation returns without increasing the underlying investment risk? If you are approaching or have reached age 60, then read on!

In order to explain how this is possible we must first look at how superannuation funds are taxed.

When your superannuation is in accumulation phase, the investment earnings are taxed at 15%. This tax is deducted prior to your investment earnings being distributed, therefore reducing your investment returns.

Should you move your superannuation into a Pension account, the earnings are no longer taxed, potentially providing for higher investment returns, provided investment markets are positive.

This strategy is particularly attractive to those over the age of 60, as the income they will draw from their pension will also be tax free.

Some may ask, “what If I don’t need the income from a pension?”. Well if you are under the age of 65 you could contribute this income back into superannuation and take advantage of salary sacrifice, although you need to be mindful of contribution caps that apply. Should you be 65 or over, you would also need to satisfy a work test in order to contribute to super.

The example show below is for a superannuation account for \$250,000 invested in the Health Super Balanced option, for the year ended October 31, 2010.

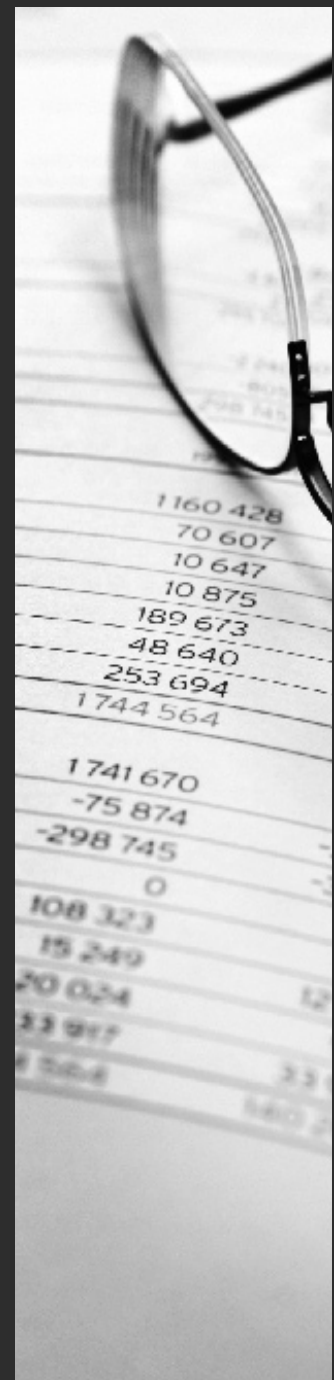
	Accumulation	Pension
Balance	\$250,000	\$250,000
Investment Return %	9.5%	10.9%
Investment Return \$	\$23,750	\$27,250
Difference (tax saving)		\$3,500

Note that this example is for illustration purposes and ignores the effect of fees.

In the above example, after one year there could be an extra \$3,500 in the superannuation account. If you take that result and apply it over 4-5 years, it could result in a significant boost to your superannuation savings.

In order to check if this strategy can work for you, we highly recommend that you speak to one of our financial planners, who will be able to take you through this strategy in more detail and tailor a plan taking into account your personal situation.

HEALTH SUPER
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Our Review Program



The Review Team - Anita Fox, Adrian Gervasoni (Team Leader), Julie Kendall and Greg Weiland.

Whether you are close to, planning for, or in retirement, it's important that you review your overall financial situation at least once a year to ensure your plans are on track.

You may require slight adjustments to your financial plan, particularly when your personal circumstances change, or to respond to changes in legislation or investment markets.

As a Health Super Pension member, you automatically become a client of The Health Super Financial Planning (HSFP) Review Program.

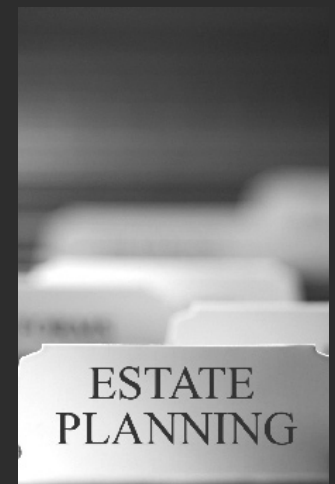
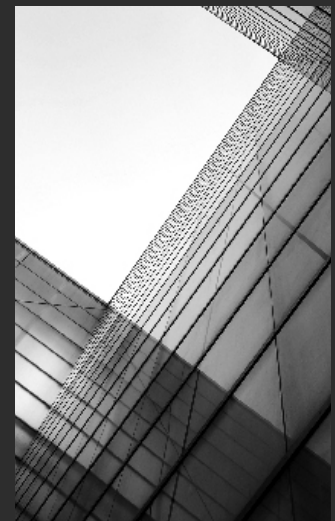
The Review Program provides you with:

- a quarterly pension statement
- a quarterly emailed newsletter "The Pulse"
- free annual review appointment with a Financial Planner
- pension member seminars.

The Review team provides you with a personalised one on one service with a dedicated financial planner who can provide advice on many topics such as:

- Ensuring Transition to Retirement pensions are being utilised effectively;
- How to maximise Centrelink benefits and minimise aged care fees;
- Gifting strategies to minimise tax and maximise control over assets;
- Estate Planning; and
- Funeral Bonds

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Your HSFP planner can provide you with help either over the phone or in person. You will also be fully informed throughout the process and kept up-to-date with every aspect of your Account Based Pension.

This advice is provided on a fee-for-service basis. For non pension members, review appointments charged at \$165 including GST. Should any written advice be requested, the price for this will be quoted and agreed in your appointment.

For more information about the HSFP Review Program or to book your annual consultation appointment, call 1300 780 223.

Finally.....

We wish you and your loved ones a safe and happy Christmas Period and look forward to assisting you further in 2011.

We invite you to contact one of our financial planners at Health Super Financial Planning on 1300 780 223, or info@hsfp.com.au to discuss Centrelink assistance, current market conditions, financial planning for women, or any other financial planning matter in greater detail.

Regards,

Andrew Vogt DipFP, CFP
General Manager / Representative
Health Super Financial Planning
AFSL 240019

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