

Moving to part-time – what it means for your super

There may be times in your life when you move to part-time work, whether it's to slow down, live a little, or care for someone – a child or a parent. It's a big decision for various reasons.

Here's a summary of what it may mean for your super. Keep in mind that it's only part of a bigger picture when it comes to deciding whether you want to go part-time.

Summary

- Reducing your hours means you may earn less income
- The amount of super your employer pays is based on your income
- So, if you reduce your hours, and you're earning less, the amount of money your employer contributes to your super will also reduce
- The insurance you automatically get is also linked to your income. So the amount you're covered for will also reduce
- It's important to get financial advice so you have all the information you need to make a decision

What your employer contributes to your super

Divisions 1 and 2

Your employer contributes to Qantas Super to fund the defined benefit part of your super, so you don't need worry about that side of things. Your employer also makes other contributions based on your super salary that count towards your super – so if you're reducing your hours, and you're earning less, you'll get less in contributions from your employer for that part of your super.

Divisions 3 and 15

Your employer contributes to Qantas Super to fund your defined benefit, so you don't need to worry about this side of things.

Everyone else

Your employer contributes to your super based on your super salary. So if you're reducing your hours, and you're earning less, you'll get less super from your employer.

What's this about?

- Super you've accumulated to date generally won't be impacted if you go part-time
- Cutting your hours may impact your future super
- Talk to us to make an appointment with a financial adviser who knows Qantas Super

Are you adding to your super?

If so, the impact of going part-time depends on how you're making those contributions.

- Contributing a % of your super salary? Then if your super salary falls, so will your contributions. Ultimately this means less super going into your account.
- Paying a fixed amount? Then the amount going into your super will stay the same.

How your super changes if you go part-time

Divisions 2, 3 and 15

Your super includes a defined benefit component. This is based on a formula that uses two major elements:

- **Your years of service.** If your hours reduce because you go part time, then this feeds into the formula and reduces the amount of the defined benefit component for the period you are working part-time. So your super grows at a slower rate while you're working part time.
- **Your superannuation salary.** If you go part time:
 - with the **same** full-time salary, the defined benefit you've got now won't be impacted by going part-time
 - with a **lower** full-time salary than you're on now, the super you've got now could drop because your lower superannuation salary feeds into the formula and will immediately reduce your defined benefit at that point in time. Remember, your final defined benefit is usually based on your full-time salaries in the years before you leave.

Division 2

You also have an accumulation component which is made up of contributions from you and your employer. You get the total of these contributions with investment earnings, minus fees and taxes. Going part-time means these contributions may be less, which means the accumulation component of your super will grow at a slower rate.

Other divisions

Your super benefit is the total of all the contributions that you and your employer put into your super, plus investment earnings minus fees and taxes. Going part-time means that your employer and member contributions may be less, which means your super will grow at a slower rate.

What happens to your insurance cover?

Your default insurance cover

Division	Description
Divisions 1, 2, 3, and 15	<p>The level of this insurance cover is based on your super salary, and if your salary falls so will your insurance cover.</p> <p>Keep in mind this means you will have less insurance. You need to make sure it still meets your needs in case you are injured or disabled. You can apply for Voluntary Cover at any time.</p>
Divisions 5, 6, 7, 10 and Gateway	<p>Your insurance is based on your Salary for Insurance Purposes as at 1 October each year. So, if you go part-time during the year, your Salary for Insurance Purposes won't change until the following 1 October. If you're still part-time at that point, your Salary for Insurance Purposes will reduce and so will your insurance cover. If you pay premiums, your premiums will be lower.</p> <p>Keep in mind this means you will have less insurance. You need to make sure it still meets your needs in case you're injured or disabled. You can apply for Voluntary Cover at any time.</p>
Gateway – Fixed dollar Basic Cover and Division 3A	This won't change.

Your Voluntary Cover

This won't change.

Need advice about the impact of going part-time on your super?

This fact sheet gives a general overview of how going part-time may impact your super.

To find out what it could mean for you, call us to make an appointment to speak to a financial adviser who knows Qantas Super well and can talk to you about your own situation.

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