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1300 133 177

Supplementary Annual Trustee Report

for defined benefit members of the Catholic Church Staff Superannuation Plan (CCSSP) – South Australia

For the year ended 30 June 2011

Your *Annual Trustee Report* from NGS Super consists of two parts:

Part 1: Annual Trustee Report to members contains a general update on how your super in NGS Super has performed and provides details about general changes that have impacted on your benefits during the year ended 30 June 2011.

This report is available online at **www.ngssuper.com.au/forms-and-publications/**

Part 2: This Supplementary Annual Trustee Report to CCSSP members contains an update on information specific to your section of membership, including how your defined benefits are determined.

Both parts of your *Annual Trustee Report* should be read carefully and kept for future reference.

This Report has been prepared for defined benefit members of the Catholic Church Staff Superannuation Plan (CCSSP) – South Australia.

Please read this report carefully as it contains information about your benefits in NGS Super.

Accessing your account online

You can receive up to date information on your benefits at **www.ngssuper.com.au/login**.

If you require a PIN or assistance with this service, please call our Customer Service Team on **1300 133 177**.

Changing employers

If you change employers within the Catholic schools sector it is very important that you advise your new employer that you are a CCSSP member. If you or your employer are not making the correct amount of contributions then your benefit may be affected.

NGS Super – with you for life

If you resign or retire from the Catholic Schools sector, you will remain with NGS Super. Your benefit will transfer to the NGS Super Industry Fund which is an accumulation-style fund.

If you are retiring, you also have the option of transferring to an NGS Super **account-based pension**.

You can obtain information on either of these products by visiting **www.ngssuper.com.au** and view or download a copy of the *Product Disclosure Statement – Member Guide* and the *Product Disclosure Statement – Pension Guide*.

Transition to Retirement Pensions

A **transition to retirement pension** can provide limited access to your retirement funds while you are still working, giving you the opportunity to save tax and boost your super at the same time.

If you are a defined benefit member and you have reached your preservation age (see page 32 of the *Member Guide* dated 1 October 2011 for details), you can transfer your Additional Account to our Industry Fund and start a transition to retirement pension. Your defined benefit accounts cannot be transferred unless you receive approval from your Employer and the Trustee. Such a transfer will relinquish any future entitlement you have to a defined benefit and should be carefully considered before any such request is made.

It is recommended that you seek professional advice from a licensed financial planner before making this decision.

How does a transition to retirement pension work?

If you have reached your preservation age (generally age 55), a transition to retirement pension can allow you to take a pension even though you have not retired.

This works in exactly the same manner as an allocated pension except that:

- You cannot access any lump sum withdrawals until you retire, except under restricted conditions;
- There are Government rules for the minimum and maximum annual pension payments that can be taken; and
- Your payments are drawn down from any non-preserved money (unrestricted or restricted) that you have before any preserved money is used.

Taking out a transition to retirement pension is not complicated. Simply read our *Product Disclosure Statement – Pension Guide* (available online at **www.ngssuper.com.au**) and complete the *application form*.

Financial advice recommendation

Before implementing a transition to retirement strategy, we recommend that you obtain financial advice from a qualified financial planner.

In the first instance, you can **call our Customer Service Team on 1300 133 177** for access to our complimentary limited personal advice from one of our qualified financial planners over the telephone.

We can also arrange an appointment for a face-to-face consultation with one of our financial planners in any of our locations around Australia. An NGS Super financial planner is well-qualified to provide retirement and estate planning advice. They recommend strategies rather than products and operate on a fee for service basis only.

Maximum contribution limits for 2011/12

Non-concessional contributions include personal contributions for which members do not claim an income tax deduction. For the financial year 2011/12 the maximum amount which a member can contribute is $150,000.

People under 65 years old may be able to make non-concessional contributions of up to three times their non-concessional contributions cap over a three-year period. This is known as the 'bring-forward' option. The bring-forward cap is three times the non-concessional contributions cap of the first year. For example, if you bring forward your contributions in 2011/12, your total limit over the three years (2011/12, 2012/13 and 2013/14) would be 3 x $150,000 = $450,000. No further non-concessional contributions could then be made until the 2014/15 financial year.

Concessional contributions include employer contributions (including contributions made under a salary sacrifice arrangement) and any personal contributions claimed as a tax deduction by a self-employed person. For the financial year 2011/12 the maximum limit for a member who is less than 50 years of age is $25,000. For members aged 50 or over, the maximum limit is $50,000.

Important note

From 1 July 2012, it is the Government's intention to have the concessional contribution cap for those who are aged 50 years or older with a super balance of *less* than $500,000 to remain at $50,000 and a concessional contribution cap of $25,000 to apply to those aged over 50 with a super balance of $500,000 *or more*.

The Government has also announced that it intends providing limited relief for people who exceed the concessional contributions cap by up to $10,000. In general, any concessional contributions paid over and above the concessional contributions cap are taxed at 31.5% (in addition to the 15% contributions tax).

If these changes become law, people will be granted a one-off opportunity, whereby excess concessional contributions up to $10,000 can be refunded and assessed as income at their marginal tax rate. This will only apply to excess contributions made after 30 June 2011. Whilst full details are not yet available, it is likely that it will only apply in the first year where an individual exceeds their concessional contributions cap and only if the excess is no more than $10,000.

Summary of contribution caps

	Concessional cap*	Transitional concessional cap**	Non-concessional cap*
2011/12, 2010/11 financial years	$25,000	$50,000	$150,000
Tax on amounts over the cap	31.5% (in addition to the 15% paid by the super fund)	31.5% (in addition to the 15% paid by the super fund)	46.5%
Other information	Any concessional contributions in excess of the cap will also count towards your non-concessional contributions cap.	Any concessional contributions in excess of the cap will also count towards your non-concessional contributions cap.	If you are less than age 65 at any time during the financial year, you may be able to bring forward the next two years of contributions, subject to certain conditions. This allows you to contribute up to three times the cap in that year.#

* The $25,000 concessional cap will be indexed annually from 2011/12 onwards to 'Average Weekly Ordinary Time Earnings' (AWOTE) and rounded down to the nearest multiple of $5,000.

** The transitional concessional contributions cap is for those who are 50 years old or older on 30 June in a financial year and is available until 30 June 2012. This cap is not indexed.

You should obtain financial advice if you intend utilising this "bring forward" rule as the conditions are complex.

Are you within your contribution limits?

The concessional contribution cap for the 2011/12 financial year is $25.000 for members under age 50, and $50,000 for members aged 50 or over. This cap limits the amount of concessional contributions (including employer and salary sacrifice contributions) that can be made to your super account each financial year before higher taxes apply.

Before you can work out how much money is going into your super, defined benefit members need to work out their 'Notional Taxed Contributions'.

Notional Taxed Contributions (NTC)

For defined benefit members, rather than using the actual employer and salary sacrifice contributions made to your defined benefit during a given financial year, Notional Taxed Contribution (NTC) rates are used.

Your NTC is a concessional contribution, so you need to know how much it is to work out how much you can contribute before risking the higher tax rates.

Your NTC rate applies only to those contributions made directly to your defined benefit (i.e. the Employer and member compulsory contributions). It does not extend to any additional employer contributions paid to your Employer Additional Account and/or any additional voluntary contributions paid to your Salary Sacrifice Voluntary Account – these contributions are calculated outside of the NTC formula. These additional contributions are added to the amount of the NTCs to determine the *total amount* of your concessional contributions.

How your NTC is calculated

NTC% x your super salary at the start of the financial year

Less

1.2 x your compulsory after-tax contributions made over the financial year that fund your defined benefit.

How to work out your own NTC

To use the above formula you need to know:

1. your defined benefit membership category. This is found on your most recent *Member Statement*;
2. The NTC % applicable to your defined benefit category:
   - Categories 1, 1BC, 1C, 1D: 10.8%
   - Category 2: 7.2%
   - Categories 3, 4: 0%;
3. Your member contribution rate, which depends on your category;
4. Your super salary as per your most recent *Member Statement*.

The above NTC calculation may not apply to you if, during the year:

- you ceased service;
- you took leave without pay;
- you changed benefit categories;
- you became eligible for a late retirement benefit;
- you received a benefit greater than the normal benefits provided; or
- the benefits in the Plan are changed.

Examples to determine **concessional** (before tax) contribution limits using NTCs

Example 1

The compulsory contributions which Kerry is required to make toward her defined benefit are paid from **before-tax** salary.

Note: this example assumes there are no other non-concessional contributions being made by the member to another super fund.

Category of membership	1
NTC %	10.8%
Part time percentage	100% (full time)
Super salary at 1 July 2011	$100,000
Member Mandatory contribution rate (paid from **before-tax** salary)	6.5%
Employer Additional (Accumulation) contribution rate	3.0%

Less than age 50 at 30 June 2012

Assume Kerry is aged less than 50 at 30 June 2012, then Kerry's concessional contribution limit is $25,000 for the 2011/12 financial year. Any concessional (**before-tax**) contributions made in that period over $25,000 will be taxed at the higher rate.

Employer Additional (Accumulation) contributions: **3.0% x $100,000**	$3,000
Notional Taxed contributions: **10.8% x $100,000 *less* (1.2 x $0)**	$10,800

If Kerry's salary and the Employer Additional (Accumulation) contributions remain the same during the 2011/12 financial year, then Kerry could make additional Member Voluntary (**before-tax**) contributions up to **$11,200** [$25,000 – ($3,000 + $10,800)].

Because Kerry is under 50, she decides to limit her additional **before-tax** voluntary contributions to a maximum of $10,000. She also decides she should review her superannuation during the year to ensure that any change in her circumstances (in particular, any salary increase) does not cause her to exceed her concessional (**before-tax**) contribution limit. Kerry puts some notes in her diary to remind herself to follow up.

Aged 50 or more at 30 June 2012

If Kerry was aged 50 or more at 30 June 2012, the contribution limit would be $50,000 for the 2011/12 financial year. Any concessional (**before-tax**) contributions made in that period over $50,000 will be taxed at the higher rate.

Therefore, Kerry would be able to make additional Member Voluntary (**before-tax**) contributions during the financial year up to **$36,200** [$50,000 – ($3,000 + $10,800)].

In this case, Kerry could choose to limit her additional **before-tax** voluntary contributions to a maximum of $30,000 and then regularly review her superannuation, as described above.

Example 2

The compulsory contributions which Chris is required to make toward his defined benefit are paid from **after-tax** salary.

Note: this example assumes there are no other non-concessional contributions being made by the member to another super fund.

Category of membership	1
NTC %	10.8%
Part time percentage	100% (full time)
Super salary at 1 July 2011	$70,000
Member Mandatory contribution rate (paid from **after-tax** salary)	5.5%
Employer Additional (Accumulation) contribution rate	3.0%

Less than age 50 at 30 June 2012

Assume Chris is aged less than 50 at 30 June 2012, then Chris' concessional contribution limit is $25,000 for the 2011/12 financial year. Any concessional (**before-tax**) contributions made in that period over $25,000 will be taxed at the higher rate.

Employer Additional (Accumulation) contributions: **3.0% x $70,000**	$2,100
Notional Taxed contributions: **10.8% x $70,000 *less* [1.2 x (5.5% x $70,000)]**	$2,940

If Chris' salary and the Employer Additional (Accumulation) contributions remain the same during the 2011/12 financial year, then Chris could make additional Member Voluntary (**before-tax**) contributions up to **$19,960** [$25,000 – ($2,100 + $2,940)].

Because Chris is under 50, he decides to limit his additional **before-tax** voluntary contributions to a maximum of $15,000. He also decides he should review his superannuation during the year to ensure that any change in his circumstances (in particular, any salary increase) does not cause him to exceed his concessional (**before-tax**) contribution limit. Chris puts some notes in his diary to remind himself to follow up.

Aged 50 or more at 30 June 2012

If Chris was aged 50 or more at 30 June 2012, the contribution limit would be $50,000 for the 2011/12 financial year. Any concessional (**before-tax**) contributions made in that period over $50,000 will be taxed at the higher rate.

Therefore, Chris would be able to make additional Member Voluntary (**before-tax**) contributions during the financial year up to **$44,960** [$50,000 – ($2,100 + $2,940)].

In this case, Chris could choose to limit his additional **before-tax** voluntary contributions to a maximum of $40,000 and then regularly review his superannuation, as described above.

How the Fund works

The CCSSP of NGS Super provides, in the main, benefits based on the accumulation of contributions plus investment earnings. Members of the defined benefit categories (who are required to contribute a percentage of their salary) may also receive the protection of a minimum retirement benefit after age 55. This benefit is based on a multiple of your salary near retirement. The multiple is determined as a percentage (depending on their category of membership) and the number of years of your contributory membership.

Benefits paid from the fund are financed by member and employer contributions together with investment earnings. If a defined benefit member makes any additional (Voluntary) contributions to the Fund, these contributions and any rollovers into NGS Super will be credited to a separate sub-account in the member's name. The 3% award contributions are also credited to this sub-account.

Members can also choose their own investment option for this sub-account – please refer to the NGS Super *Member Guide* dated 1 October 2011 for more information on **Investment Choice**.

The amount your employer contributes to the Fund will vary depending on the actuarial advice received by the Trustee. At least once every three years the Fund Actuary prepares a valuation that states how much your employer is required to contribute in order to ensure sufficient assets are available to pay benefits now and in the future.

The Fund Actuary also undertakes a short form review to ensure the financial position of the Fund remains on track between full valuations.

As at 30 June 2011 the employers were contributing in line with the actuary's recommendations and the Plan was in a satisfactory financial position.

Statement of change in financial position

	30 June 2011 ($ amount)	30 June 2010 ($ amount)
Net assets at beginning of year	94,405,556	86,358,053
Revenue		
Net investment revenue	9,952,031	7,941,792
Member contributions	654,496	4,875,842
Employer contributions	9,621,193	4,344,106
Rollovers and transfers in	210,751	1,088,303
Insurance proceeds	117,819	144,055
Total revenue	**20,556,290**	**18,394,098**
Less expenditure		
Benefits paid	(9,939,932)	8,441,504
Insurance policy premiums	(421,233)	496,412
Contributions tax & surcharge	(1,376,090)	1,039,158
Administration costs	(242,669)	225,465
Income protection payments	(117,819)	144,055
Total expenses	**(12,097,743)**	**10,346,595**
Net revenue after income tax	8,458,547	8,047,503
Net assets at end of period	**102,864,103**	**94,405,556**

This information has been prepared on a cash basis with some accruals and reallocations. That is, it does not allow for any accruals such as outstanding contributions or benefits due as at the start or end of year.

The financial information contained in this report for CCSSP members has not been individually audited, however this information does form part of the full financial statements for NGS Super. The *Annual Trustee Report to members (Part 1)* provides details of the full financial statements for NGS Super (refer to **www.ngssuper.com.au/forms-and-publications/**).

You can request a copy of the full audited accounts and the auditor's report by contacting the NGS Super Customer Service Team.

Investment of assets across the NGS Super investment options

Investment option	30 June 2011 ($ amount)	30 June 2010 ($ amount)
Diversified	100,265,561	92,716,305
Australian Shares	1,070,494	1,042,692
Cash	609,798	112,137
Property	113,433	119,641
High Growth	238,391	116,579
Diversified Bonds	45,575	4,249
Defensive	361,203	159,150
International Shares	68,735	72,124
Shares Plus	30,539	23,395
Green Shares	39,958	35,738
Conservative	20,416	3,546

CCSSP representation – NGS Super Board

NGS Super is governed by a corporate Trustee, 'NGS Super Pty Limited'. The Trustee is responsible for ensuring that the benefits for members of NGS Super, including members of CCSSP are protected. NGS Super is sponsored by the Association of Independent Schools (AIS) NSW and SA, the Catholic Hierarchy of New South Wales, the Independent Education Union of SA, the NSW/ACT Independent Education Union (IEU), the SA Commission for Catholic Schools and the Victorian Independent Education Union (VIEU).

As a sponsoring organisation, the SA Commission for Catholic Schools is responsible for the appointment and replacement of the Trustee Directors who represent it. Mr Daniel Watson has been the representative to the NGS Super Trustee Board since 2005. Following the expiry of this term, Mr Michael Critchley replaced Mr Watson from 1 July 2011.

Members of the CCSSP are also represented by an Employer Liaison Committee, which is responsible for assisting the Trustee with the specific needs of CCSSP employers and members.

Fees and charges that apply to your super

The fees and charges of NGS Super are set out on pages 28 to 30 of the NGS Super *Member Guide* dated 1 October 2011. A copy of this *Member Guide* is available online at **www.ngssuper.com.au/forms-and-publications/**. From here you can select the 'Product Disclosure Statement' tab.

- In addition to these fees, the CCSSP is charged a fee of 0.3% of the defined benefit assets to cover the additional costs of managing a defined benefit fund. This fee is deducted from your defined benefit accounts (i.e. Member Mandatory Account, Employer Mandatory Account, Past Fund Account and SG Notional Account).
- The NGS Super administration fee of $65 p.a. will only be deducted if you have Additional Accounts. If you do not have voluntary contributions, rollovers or award super contributions, you will not be charged this fee. If you have more than one Additional Account with NGS Super you will only pay one NGS Super administration fee.

- Most CCSSP members also have a flat insurance premium of 1.5% of salary to cover the standard insurance benefit. As a defined benefit member you have the option to take out additional voluntary insurance by having an industry account with NGS Super. For more information about your additional insurance options, please call the NGS Super Customer Service Team.

  Please note that any additional insurance you have associated with the defined benefit account will be limited to a maximum of four times salary.

How to calculate your benefits

Please note that the following details do not constitute a Product Disclosure Statement. For a full description of the method of calculating your benefits, you should refer to your Fund documentation. If you have additional insurance cover in place with NGS Super, you should refer to the documentation you received when you applied for this cover.

In brief, the benefits shown on your *Member Statement* were calculated as follows:

Withdrawal benefit

Your benefit is calculated as:

- your Member Mandatory Account; plus
- your Employer Mandatory Account; plus
- your Past Fund Account; plus
- your Additional Accounts.

Your total withdrawal benefit is subject to a minimum of the statutory minimum benefit payable under superannuation guarantee legislation.

Retirement benefit (from age 55)

Your benefit on early retirement is calculated in the same way as your withdrawal benefit. However, if the Employer requests and the Trustee agrees, the benefit is subject to a minimum of:

- your accrued retirement benefit to the date of your early retirement; plus
- the balance of your Additional Accounts.

Your accrued retirement benefit is calculated as a percentage of your Final Average Salary for each year of your membership in either Category 1 or Category 2.

Death benefit

Your benefit is calculated as:

- your withdrawal benefit; plus
- your basic insurance cover of one times annual salary, if applicable; plus
- any voluntary insurance cover you have.

Total & Permanent Disablement benefit

Your benefit is calculated as:

- your withdrawal benefit; plus
- any voluntary insurance cover you have.

Income Protection benefit

If you have Income Protection, your benefit is calculated as:

- your basic insurance cover of 75% of annual salary; plus:
- an additional amount of 5.5% in respect of super contributions.

Important notes:

1. Your 'Final Average Salary' is defined as the average of the past five annual salaries at 1 February each year.
2. The income protection benefit is payable for a maximum period of five years.

Are your contact details up-to-date?

To receive updates on your super, remember to let us know if you change your address or your employer.

It's easy to update your details, simply login to your online account at **www.ngssuper.com.au** and change your details online. If you don't already have a PIN, you can register for one online. Alternatively, you can call our Customer Service Team and we'll do it for you.

How to contact us

Visit our website **www.ngssuper.com.au**, or contact our Customer Service Team or your local client relationship manager at any time. We're here to help you.

NGS Super Administration
Telephone: 1300 133 177

Phone number for callers outside Australia
+61 3 8687 1818

Fax: (03) 8640 0813
Email: administration@ngssuper.com.au
Web: www.ngssuper.com.au

Postal address
GPO Box 4303
Melbourne VIC 3001

NGS Financial Planning
Telephone: 1300 133 177
Web: www.ngssuper.com.au

New South Wales Office

Kathy Alexander
National Client Relationship Manager
Email: kalexander@ngssuper.com.au

Dee Duke
Client Relationship Manager
Email: dduke@ngssuper.com.au

Jorjet Issavi
Client Relationship Manager
Email: jissavi@ngssuper.com.au

Level 16, 99 Bathurst Street
Sydney NSW 2000
Telephone: (02) 9273 7900

South Australian Office

John Pedersen
Client Relationship Manager
Email: jpedersen@ngssuper.com.au

Elaine Santos Facchino
Client Relationship Manager
Email: efacchino@ngssuper.com.au

Level 1, 431–439 King William Street
Adelaide SA 5000
Telephone: (08) 8418 2400

Victorian Office

Laurie Buchanan
Client Relationship Manager
Email: lbuchanan@ngssuper.com.au

Suite 505, 737 Burwood Road
Hawthorn VIC 3122
Telephone: (03) 9811 0502

Western Australian Office

Kate Bell
Business Development Manager
Email: kbell@ngssuper.com.au

C/- Sharyn Long Chartered Accountants
Level 6, 216 St Georges Terrace
Perth WA 6000
Telephone: 0488 188 344

Important information

This is general information only – it does not take into account your objectives, financial situation or needs. Please assess your own financial situation, read the *Product Disclosure Statement* (otherwise referred to as the *'Member Guide'*) dated 1 October 2011 for any product you may be thinking of acquiring and consider seeking professional advice before acting on this information.

Issued by NGS Super Pty Limited ABN 46 003 491 487 AFSL No 233 154 the Trustee of NGS Super ABN 73 549 180 515

www.ngssuper.com.au
1300 133 177

NGS Super Client Relationship Managers

Kathy Alexander
National Client Relationship Manager, NSW Trustee Office

New South Wales

Dee Duke

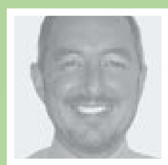
Jorjet Issavi

South Australia

Elaine Santos Facchino
(08) 8418 2400

John Pedersen

Victoria



Laurie Buchanan

Western Australia

Kate Bell

0576 (0811)