Your fund. Your wealth. Your future.

SUPPLEMENTARY ANNUAL TRUSTEE REPORT 2017

for defined benefit members of the Penleigh and Essendon Grammar School (PEGS) Superannuation Plan

FOR THE YEAR ENDED 30 JUNE 2017

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

Part 1:

Annual Trustee Report to members contains an 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 2017.

This report is available online at **www.ngssuper.com.au/annualreport**.

Part 2:

This *Supplementary Annual Trustee Report* to PEGS 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.

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ngs Super

This Report has been prepared for PEGS defined benefit members.

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

1. 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 us on **1300 133 177**.

2. NGS Super – with you for life

If you resign or retire from your current employer, you will remain with NGS Super. Your benefit will transfer to an NGS Super *Accumulation account*.

If you are retiring, you will have the option of opening an NGS *Income account* giving you flexible payment options during your retirement. Please refer to section 4 for details of the maximum amount that you can transfer into the retirement phase of super.

You can obtain information on our *Accumulation* and *Income accounts* by visiting **www.ngssuper.com.au/pds**

3. Transition to retirement

A ***Transition to retirement (TTR)*** *account* can provide you with 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, you can transfer your Additional Account to an NGS Super *TTR account* and start a transition to retirement income stream. For more details on TTR please read our *Transition to Retirement Guide* and *fact sheet* available at **www.ngssuper.com.au/pds**. 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 account* work?

If you have reached your preservation age (generally age 56[1], but moving up to age 60 for those born after 30 June 1964), a *Transition to retirement account* can allow you to take an income 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.

Starting a transition to retirement pension account is not complicated. Simply read the *NGS Transition to Retirement Guide* at **www.ngssuper.com.au/pds** 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 us 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.

4. The $1.6 million transfer balance cap

From 1 July 2017, a transfer balance cap of $1.6 million will be applied on the amount of super you can transfer into the retirement phase. The transfer balance cap applies as a total across all your super accounts and not per fund. This cap limits the amount that you can transfer into the retirement phase of super for which you receive the benefit of 0% tax on earnings. All individuals have their own transfer balance cap.

The transfer balance cap applies to all super you have invested in the retirement phase which commenced before and after 1 July 2017. Super transferred into the retirement phase prior to 1 July 2017 will be assessed on 1 July 2017. Super transferred after that date is assessed at the time the *Income account* commences.

An excess transfer balance occurs if the total value of your retirement savings in your super funds is above your transfer balance cap. In the case of an excess, it will be necessary to reduce the amount held in the retirement phase.

[1] If you were born between 1 July 1961 and 30 June 1962 your preservation age will be 57.

This may be done by:

- a partial commutation (i.e. converted to a lump sum), whereby the excess amount can be rolled back into your *Accumulation account* or taken as a lump sum withdrawal.

or

- pay the excess transfer balance tax.

If you leave the excess of your transfer balance in your *Income account*, the ATO will make a determination once the information from all your super funds is received. Notional earnings will be calculated from the date of the breach through to when a determination is made and this amount will attract the general interest charge.

Notional earnings will be subject to tax at:

- 15% for the first breach, and
- 30% for the second and subsequent breaches.

The transfer balance cap may be indexed in future years to CPI in $100,000 increments.

5. Maximum contribution limits

Non-concessional (after-tax) contributions include personal contributions which members do not claim an income tax deduction. They also include any excess concessional contributions unless these are refunded – special rules determine whether they can be refunded. For the financial year 2017/18 the maximum amount that a member can contribute is generally $100,000[2] without incurring additional tax.

People under 65 years old may be able to make non-concessional contributions of up to three times their non-concessional contributions cap (in the first year) over a three-year period. This is known as the 'bring-forward'[3] rule. The bring-forward rule means that you can contribute up to $300,000 (3 x $100,000) in non-concessional contributions in a single financial year, or any combination that adds up to $300,000 over a consecutive 3 year period. For example, a person aged 60 could contribute $150,000 in the first year and the balance of $150,000 over the following two years.

It is important to remember that contributions paid in excess of these limits will generally attract tax at 47% (including Medicare levy).

Any contributions that exceeds the non-concessional contribution limits can be refunded without penalty (ie. will not be subject to tax) and any earnings on these contributions may also be withdrawn and taxed at your marginal tax rate.

Concessional (before-tax) contributions include employer contributions (including contributions made under a salary sacrifice arrangement).

For the financial year 2017/18 the maximum limit is $25,000:

Concessional contributions are taxed at 15%[4] when received by the Fund. It is important to note that contributions paid in excess of these limits attract additional tax at your marginal rate (including the Medicare levy) less the 15% contributions tax already paid.

An interest charge to recognise that the tax on these excess contributions is collected later than normal income tax will also apply. This interest charge will be charged from the start of the financial year in which the excess contributions are made.

If your concessional contributions exceed the annual limit, the ATO will issue you with an excess concessional contributions determination. Based on this determination, you have 21 days to elect for these contributions to be refunded. Any such refund will be limited to a maximum of 85% of the excess concessional contributions amount.

Please refer to Section 7, Notional Taxed Contributions, for details of how testing against the concessional contribution limit works for defined benefit members.

6. Superannuation Guarantee (SG) and your benefit

Your employer must contribute a minimum of 9.5% of your ordinary time earnings (OTE) up to the maximum contributions base ($211,040 for the 2017/18 year) into a complying superannuation fund.

However, because you are a defined benefit member, the employer does not have to actually make these contributions, but instead, the benefit being earned must be at least equivalent to the value of these SG contributions (SG minimum benefit), as determined by the actuary.

The government has set the required SG contribution rate to rise from 9.5% to 12% of OTE between the 2020/21 and 2025/26 financial years as shown in the following table:

Year	Rate (%)
2020/21	9.5
2021/22	10.0
2022/23	10.5
2023/24	11.0
2024/25	11.5
2025/26	12.0

As a defined benefit member, your benefits are calculated as shown in section 14 of this report. As mentioned, your benefit must be at least equal to the SG minimum benefit, which is determined in accordance with a certificate produced by the actuary. To ensure you receive at least the SG minimum benefit when you leave NGS Super, we keep a separate record of this benefit. For most members, the benefit available under the Plan is significantly higher than the SG minimum.

[2] From 1 July 2017 you are not able to make a non-concessional contribution if you have a total superannuation balance (across all your super Funds) equal to or more than $1.6m. Refer to Section 4 for more details.

[3] From 1 July 2017, if your total superannuation balance (across all your super Funds) is $1.4 million or more, but less than $1.5 million, then your maximum bring forward cap is $200,000 and your bring forward period is two years.

[4] Members earning a 'combined' income of over $250,000 p.a. are subject to an additional tax of 15% on concessional contributions. This is referred to as Division 293 tax. The definition of 'combined' income includes concessional contributions and reportable fringe benefits. Where a member's income excluding their concessional contributions is less than $200,000 and the inclusion of their concessional contributions pushes them over the $200,000 threshold, the 30% tax rate will only apply to that part of the contributions that is in excess of the threshold. "Concessional contributions" will include "defined benefit contributions".

The measure will not apply to excess concessional contributions as these are effectively taxed at the member's marginal tax rate.

7. Notional Taxed Contributions (NTC)

Each year all superannuation providers report to the ATO all concessional contributions received during the year. Based on this information as well as information from your income tax return, the ATO will assess if your total concessional and non-concessional contributions are in excess of the maximum limits and, if so, will issue you with a notification for the additional tax on the amount over the limit. You can pay this additional tax amount yourself, or you can request NGS Super to deduct this from your account.

Please note that any excess concessional contributions will also count towards your non-concessional contributions limit.

You should be aware that it is not NGS Super's responsibility to determine whether or not you have exceeded the contribution limits. You should carefully monitor your concessional contributions to avoid exceeding the limits.

To test against the concessional contribution limit, *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 the higher tax rates apply.

Your NTC is only in respect of your defined benefit. It does not extend to any employer contributions paid to your Productivity Account and/or any additional voluntary contributions paid from pre-tax salary to your Additional Voluntary Accounts – these contributions are outside of the NTC formula. These additional contributions are added to the amount of the NTC to determine your *total* concessional contributions.

How your NTC is calculated

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

Less

1.2 x your compulsory contributions, if paid from after-tax salary made over the financial year to fund your defined benefit.

Provided you meet certain conditions, the NTC is capped at the maximum concessional contribution limit when reporting to the ATO (except for Division 293 tax purposes, refer to Section 4).

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 is:
   – Category PEGS:1 (Executives) 12.0%
   – Category PEGS:2 (Staff) 10.8%.
3. Your member contribution rate, which depends on your category and whether you make these contributions from pre-tax or post-tax salary.
4. Your Productivity contribution rate.
5. Your super salary as per your most recent *Member Statement*. This salary will be reduced for any periods of part-time work during the year (if any). The 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.

8. Examples to determine **concessional** (before-tax) contribution limits using NTCs:

For Executives (Category PEGS 1)

Example 1

Kerry is age 45. 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 concessional contributions being made by the member to another super fund.

Category of membership	**PEGS:1**
NTC %	**12.0%**
Part time percentage	**100% (full time)**
Super salary at 1 July 2017	**$165,000**
Member Mandatory contribution rate (paid from **before-tax** salary)	**6.18%**
Productivity contribution rate	**3.0%**

For the 2017/18 financial year the concessional contribution limit is $25,000. Any concessional **(before-tax)** contributions made in the year over $25,000 may be taxed at the member's marginal tax rate (see section 5 for details).

Productivity contributions: **3.0% x $165,000**	**$4,950**
Notional Taxed contributions: **12.0% x $165,000 *less* (1.2 x $0)**	**$19,800**

If Kerry's salary (and hence the Productivity contributions) remains the same during the 2017/18 financial year, then Kerry could make additional Member Voluntary (**before-tax**) contributions up to **$250** [$25,000 – ($4,950 + $19,800)] without incurring additional concessional contributions tax.

Because Kerry is close to the $25,000 concessional contribution limit, she has decided not to make any additional voluntary contributions. She also decides she should review her superannuation during the year to ensure that any change in her circumstances (in particular, any salary increase or super on allowances or bonuses) do not cause her to exceed her concessional (**before-tax**) contribution limit. Kerry puts some notes in her smartphone to remind herself to follow up.

Example 2

Chris is age 52. 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 concessional contributions being made by the member to another super fund.

Category of membership	**PEGS:1**
NTC %	**12.0%**
Part time percentage	**100% (full time)**
Super salary at 1 July 2017	**$90,000**
Member Mandatory contribution rate (paid from **after-tax** salary)	**5.25%**
Productivity contribution rate	**3.0%**

For the 2017/18 financial year the concessional contribution limit is $25,000. Any concessional (**before-tax**) contributions made in the year over $25,000 may be taxed at the member's marginal tax rate (see section 5 for details).

Productivity contributions: **3.0% x $90,000**	**$2,700**
Notional Taxed contributions: **12.0% x $90,000 *less* [1.2 x (5.25% x $90,000)]**	**$5,130**

If Chris's salary (and hence the Productivity contributions) remain the same during the 2017/18 financial year, then Chris could make additional Member Voluntary (**before-tax**) contributions up to **$17,170** [$25,000 – ($2,700 + $5,130)].

Chris decides to contact his payroll department to start paying **before-tax** voluntary contributions. Chris nominates 7% of his salary as this will allow him to top-up his super savings by $6,300 p.a. He also decides to review his superannuation during the year to see if he can afford to pay a lump sum contribution from his before tax salary. Chris will ensure that these additional payments together with any change in his circumstances (in particular, any salary increase or super on allowances or bonuses) does not cause him to exceed his concessional (**before-tax**) contribution limit. Chris puts some notes in his electronic diary to remind himself to follow up.

9. Examples to determine **concessional** (before-tax) contribution limits using NTCs:

For Staff (Category PEGS 2)

Example 1

Joanne is age 43. The compulsory contributions which Joanne is required to make toward her defined benefit are paid from **before-tax** salary.

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

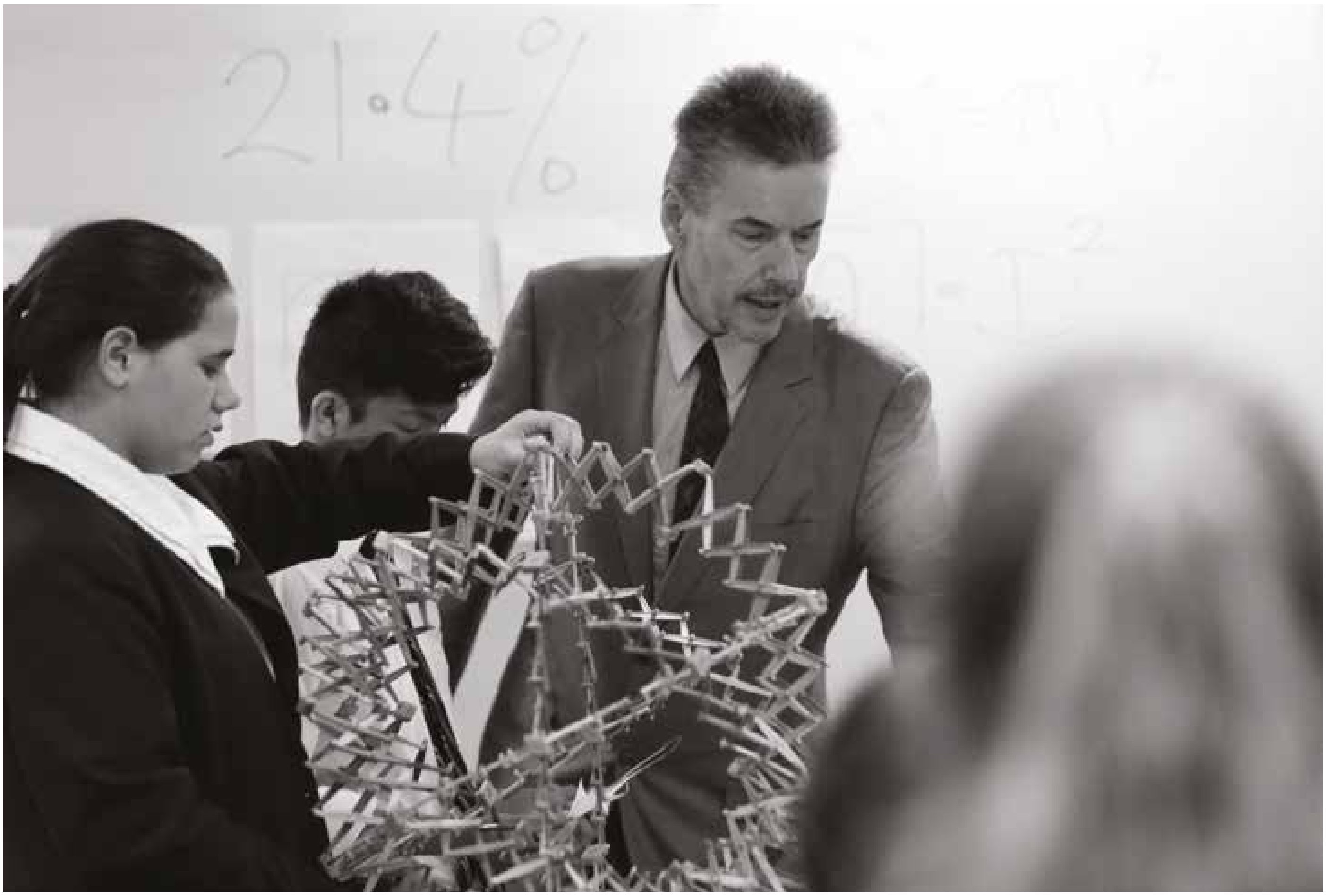
Category of membership	**PEGS:2**
NTC %	**10.8%**
Part time percentage	**100% (full time)**
Super salary at 1 July 2017	**$160,000**
Member Mandatory contribution rate (paid from **before-tax** salary)	**6.18%**
Productivity contribution rate	**3.0%**

For the 2017/18 financial year the concessional contribution limit is $25,000. Any concessional **(before-tax)** contributions made in the year over $25,000 may be taxed at the member's marginal tax rate (see section 5 for details).

Productivity contributions: **3.0% x $160,000**	**$4,800**
Notional Taxed contributions: **10.8% x $160,000 *less* (1.2 x $0)**	**$17,280**

If Joanne's salary (and hence the Productivity contributions) remains the same during the 2017/18 financial year, then Joanne could make additional Member Voluntary (**before-tax**) contributions up to **$2,920** [$25,000 - ($4,800 + $17,280)] without incurring additional conessional contributions tax.

Joanne decides to contact her payroll department to start paying **before-tax** voluntary contributions. Joanne nominates 1.5% of her salary as this will allow her to top-up her super savings by $2,400 p.a. Because these additional contributions will take Joanne's total contributions close to the $25,000 concessional contribution limit, she will review her superannuation during the year to ensure that any change in her circumstances (in particular, any salary increase or super on allowances or bonuses) does not cause her to exceed her concessional **(before-tax)** contribution limit. Joanne puts some notes in her smartphone to remind herself to follow up.



Example 2

David is age 50. The compulsory contributions which David is required to make toward his defined benefit are paid from **after-tax** salary.

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

Category of membership	**PEGS:2**
NTC %	**10.8%**
Part time percentage	**100% (full time)**
Super salary at 1 July 2017	**$75,000**
Member Mandatory contribution rate (paid from **after-tax** salary)	**5.25%**
Productivity contribution rate	**3.0%**

For the 2017/18 financial year the concessional contribution limit is $25,000. Any concessional **(before-tax)** contributions made in the year over $25,000 may be taxed at the member's marginal tax rate (see section 5 for details).

Productivity contributions: **3.0% x $75,000**	**$2,250**
Notional Taxed contributions: **10.8% x $75,000 *less* [1.2 x (5.25% x $75,000)]**	**$3,375**

If David's salary (and hence the Productivity contributions) remains the same during the 2017/18 financial year, then David could make additional Member Voluntary **(before-tax)** contributions up to **$19,375** [$25,000 – ($2,250 + $3,375)].

David decides to contact his payroll department to start paying **before tax** voluntary contributions. David nominates 10% of his salary as this will allow him to top-up his super savings by $7,500 p.a. David is aware that he can contribute more however, he is mindful as to what he can afford. David decides he will review his superannuation during the year to see if he can afford to increase his additional contributions or perhaps contribute a lump sum payment from his **before tax** salary. He will of course need to ensure that any change in his circumstances (in particular, any salary increase or super on allowances or bonuses) does not cause him to exceed his concessional **(before-tax)** contribution limit. David puts some notes in his electronic diary to remind himself to follow up.

10. How the Fund works

NGS Super provides you with a defined benefit which is based on a multiple of your final average salary. The multiple is determined using a percentage (depending on your 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. Refer to section 14 of this *Supplementary Annual Report* for details.

Productivity contributions, any additional/voluntary contributions, together with any rollovers from any other super funds (otherwise referred to as your accumulation component) will be paid in addition to your defined benefit.

PEGS members can choose their own investment option in relation to the accumulation component of their benefit – please refer to the NGS Super *Investment Guide* available at **www.ngssuper.com.au/pds** for more information on **Investment Choice**. If you do not make an investment choice your acumulation component will be invested in the default option – Diversifed (MySuper).

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 review to ensure the financial position of the Fund remains on track between full valuations.

As at 30 June 2017 the employer was contributing in line with the actuary's recommendations and the Plan was in a satisfactory financial position.

11. Statement of change in financial position

	30 June 2017 ($ amount)	30 June 2016 ($ amount)
Net assets transferred at beginning of year	**8,902,261**	**10,760,861**
Revenue		
Net investment revenue	800,270	165,030
Member contributions	12,622	15,090
Employer contributions	242,539	270,332
Rollovers and transfers in	6,873	–
Total revenue	**1,062,312**	**450,452**
***Less* expenditure**		
Benefits paid	(1,160,767)	(2,173,104)
Insurance policy premiums	(33,424)	(35,517)
Contributions tax & surcharge	(31,439)	(35,368)
Administration costs	(59,606)	(65,063)
Total expenses	**(1,285,236)**	**(2,309,052)**
Net revenue after income tax	(222,924)	(1,858,600)
Net assets at end of period	**8,679,337**	**8,902,261**

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 PEGS 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 financial statements for NGS Super (refer to **www.ngssuper.com.au/annualreport**.

You can request a copy of the full audited accounts and the auditor's report by contacting the NGS Super Customer Service Team on **1300 133 177**.

12. Investment of assets across the NGS Super investment options

Investment option	30 June 2017 ($ amount)	30 June 2016 ($ amount)
Pre-mixed options		
Diversified (MySuper)	569,154	855,270
High Growth	–	–
Balanced	337,441	351,560
Defensive	337,265	287,006
Socially Responsible Diversified	–	–
Indexed Growth	–	–
Shares Plus	497,603	404,802
Sector-specific options		
Australian Shares	2,416,762	2,108,732
International Shares	998,177	850,027
Property	965,870	887,331
Diversified Bonds	–	–
Cash & Term Deposits	2,557,065	3,157,533

13. Fees and charges that apply to your super

The fees and charges of NGS Super are set out in the *Fees, Costs and Tax* fact sheet available online at **www.ngssuper.com.au/pds**.

- The NGS Super administration fee of $65 p.a. will be charged if you have one or more Supplementary Accounts. This fee is met from the assets of the Plan. If you do not have a Productivity or a Voluntary Contribution Account this fee will not be charged.
- The costs associated with any insurance cover provided to you as a member of the former PEGS Plan are met from the assets of the Plan.

14. 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 including your NGS Super *Transfer Guide* for details of the terms and conditions of your death and disablement benefits. 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* are calculated as follows:

Contributions

You are required to make contributions of 5.25% from your after-tax salary or 6.18% from your pre-tax salary. These contributions are credited to your **Member Mandatory Account**. Any additional voluntary contributions you make are credited to your **Member Additional (Voluntary) Account**.

Before age 65, your employer pays contributions as required by the actuary. Contributions are allocated to other accounts as follows:

Productivity Account – Up to your normal retirement age contributions paid to this account are generally 3% of your salary plus 9.50% of any allowances or bonuses.

After your normal retirement age , your employer will contribute 10% of your salary or the mandated Superannuation Guarantee rate, whichever is greater, to your Productivity Account.

Member investment choice

If you do not make an investment choice for your *Accumulation accounts**, then the default investment option 'Diversified (MySuper)' will apply. For more information on the investment options available, you should refer to the NGS Super *Product Disclosure Statement* which is available at **www.ngssuper.com.au/pds** or you can call our Customer Service Team.

* Your *Accumulation accounts* include your Productivity, Additional (Voluntary) and any rollover Accounts.

What happens to your benefit when you cease employment

Investment choice does not apply to your defined benefit whilst you remain in employment with your current employer. When you cease employment, your defined benefit will be calculated up to and including the date you ceased employment and transferred to an NGS Super *Accumulation account*. At this time, your account will be invested in our Cash and Term Deposits investment option until your benefit is paid to you, transferred to an NGS *Income account* to start a pension, transferred to another complying super fund or you choose an alternative investment option.

It is important to note that once you leave employment, your benefit will be subject to fluctuations in investment markets. This means you bear the risk that your super benefit could be lower if financial markets drop.

Some useful definitions

Normal retirement age is 31 December, following your 65th birthday. Your **final average salary** is based on the average annual salary paid in the 3 years immediately prior to the date you leave the service of your Employer.

Executives (Category PEGS: 1):

Your **accrued retirement benefit multiple** is calculated using 16.5% for each complete year and month of membership (up to a maximum multiple of 7.000).

Staff (Category PEGS: 2):

Your **accrued retirement benefit multiple** is calculated using 13.75% for each complete year and month of membership (up to a maximum multiple of 7.000).

Withdrawal / retirement benefit before and at your normal retirement age

Your accrued defined benefit is determined as your accrued retirement benefit multiple based on your years and months of **service** to the date of leaving service (up to a maximum multiple of 7.000)

Multiplied by your final average salary:

Plus

- your Productivity Account
- your Additional (Voluntary) Accounts (if any)
- your Rollover/Transfer In Account (if any)

Less

- your Surcharge Account (if any)
- Your accrued retirement benefit is calculated as a multiple of your Final Average Salary for each complete year and month of your service, calculated up to the date of your retirement before your normal retirement age.

Notes:

Your defined benefit will be adjusted for any period of leave without pay and part-time service.

Retirement benefit after your normal retirement age

At your normal retirement age, your benefit will be calculated in the same way as it is calculated for your retirement benefit before your normal retirement age (as above). After your normal retirement age, your defined benefit will accrue with interest only:

Plus

- your Productivity Account (from your normal retirement age this will include employer contributions of 10% of salary or the mandated SG rate, if greater)
- your Additional (Voluntary) Accounts
- your Rollover/Transfer In Account

Less

- your Surcharge Account (if any).

Notes:

Your defined benefit will be adjusted for any period of leave without pay and part-time service.

Death and Total & Permanent Disablement (TPD) benefit

Your death and TPD benefit is equal to your projected defined benefit:

Plus

- your Productivity Account
- your Additional (Voluntary) Accounts
- (if any)
- your Rollover/Transfer In Account

Less

- your Surcharge Account (if any)

Plus

- any voluntary insurance you may have.

Your projected defined benefit

Your projected defined benefit is determined as your accrued retirement benefit multiple based on your years and months of membership, to age 65 (up to a maximum multiple of 7.000)

Multiplied by your final average salary assuming that your salary at the date of death/TPD remained unchanged at your normal retirement age.

Notes:

Your projected defined benefit will be adjusted for any period of leave without pay and part-time service.

Your income protection benefit

Income protection (IP) benefits replace some of your income if you can't work because you are sick or have been injured and you have not reached the normal retirement age* for the Plan.

IP cover features:

- waiting period before payment commences: 90 days
- payment period: up to normal retirement age*.

If you have Income Protection, your monthly benefit will be up to 75% of your monthly pre-disability income. The monthly benefit you receive will be based on your pre-disability income and whether you are receiving income from other sources. The insurer requires monthly progress reports while you receive payments. You may also need to provide medical evidence and undergo any examinations that the insurer requires.

Up to 10% of your monthly pre-disability income will also be paid to PEGS to finance your super benefits including your Member Mandatory contributions.

* Normal retirement age is 31 December following your 65th birthday.

15. Have you updated your beneficiary details?

Your *Member Statement* shows the names of the people you have nominated to receive your super if you die. It's very important to check these details and update them if your circumstances have changed (i.e. if you have had a child or you have married or remarried or you have separated or divorced).

You can change your nomination(s) at any time. If you have a binding nomination you must update it before it expires as binding nominations are valid for three years only.

You may choose to have a binding or a non-binding nomination. If you have a binding nomination, the expiry date of the nomination is shown on your *Member Statement*.

Binding nomination

In the event of your death, the Trustee will pay your death benefit according to your instructions where there is a valid binding nomination. To hold a valid binding nomination you must ensure that:

- the nominated person(s) fits the description of 'dependant' or is your Legal Personal Representative(s) at the time of your death. (Refer to the NGS Super *Nominate your super beneficiaries* fact sheet available at **www.ngssuper.com.au/pds**
- the form containing the nomination has been confirmed or amended within three years of the day it was first signed or last confirmed or amended by you
- the nomination is in writing and is signed and dated by you in the presence of two witnesses aged 18 years or over, neither of whom is a nominated beneficiary
- the nomination contains a declaration, signed and dated by the witnesses, stating they were present when you signed the form, and
- the allocation of the death benefit among the nominees is clear and totals 100%.

If you want to make a new binding nomination or update an existing nomination, you will need to complete and return a *Making a binding death benefit nomination* form, available online at **www.ngssuper.com.au** (select Super Members > Forms). If any item of information is not clear on your *Making a binding death benefit nomination* form, the Trustee will seek written confirmation from you.

Non-binding nomination

If you have not made a binding nomination, payment of your death benefit will be made at the discretion of the Trustee. However, the Trustee will take into account any non-binding nominations you have made. The Trustee will also take into consideration the circumstances of all potential beneficiaries. These may include your Estate, your legal or de facto spouse or partner, your children, anyone who has an interdependency relationship with you and anyone who is financially dependent on you. You can nominate different proportions of the benefit for different people.

It is important that you check your nomination is up-to-date and accurately reflects your current circumstances. If you want to make a change, you can update your nomination via the website at any time or complete and return a *Nominating your beneficiaries* form available online at **www.ngssuper.com.au**.

Are your contact details up-to-date?

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

It's easy to update your details with us, simply login to your online account at **www.ngssuper.com.au/memberonline** and change your details. If you don't already have a PIN, you can register for one online. Alternatively, you can call us 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 Customer Relationship Manager. We're here to help you.

NGS Super Customer Service Team

Telephone: 1300 133 177

Phone number for callers outside Australia +61 3 8687 1818

Fax: (03) 8640 0813
Online: www.ngssuper.com.au/contact-us

Postal address
GPO Box 4303
Melbourne VIC 3001

NGS Financial Planning

To make an appointment phone our Helpline on **1300 133 177** or complete the *financial planning enquiry* form on our website at **www.ngssuper.com.au/financial-planning**.

LAURIE BUCHANAN

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ANTHONY ARNDT

Customer Relationship Manager
NGS Super, Victoria

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Important information

The information provided in this document is general information only and does not take into account your objectives, financial situation or needs. Before making a financial decision, please assess the appropriateness of the information to your individual circumstances and consider seeking professional advice. Past performance is not a reliable indicator of future performance.

NGS Financial Planning service is offered to members of NGS Super (ABN 73 549 180 515) through an arrangement with Guideway Financial Services Pty Ltd (ABN 46 156 498 538) which holds an Australian Financial Services Licence (AFSL) No 420367 authorising the provision of financial advice.

SUPER RATINGS | 10 YR PLATINUM PERFORMANCE 2007–2017 | SUPERRATINGS PLATINUM 2017 CHOICE SUPER | SUPERRATINGS PLATINUM 2017 PENSION

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Chant West | 5 Super 2017 | 5 Pension 2017 | Member Services Best Fund 2017 Finalist

Disclaimer: For further information about the methodology used by Chant West, see **www.chantwest.com.au**

Chant West has given its consent to the inclusion in this Supplementary Annual Report of the references to Chant West and the inclusion of the logos and ratings provided by Chant West in the form and context in which they are included.

www.ngssuper.com.au
1300 133 177

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.

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