

# FEES, COSTS AND TAX

*We keep your costs low  
so your super grows faster.*

FACT SHEET 6

24 SEPTEMBER 2018

**NGS Super is run only to benefit members. This means we only charge fees to cover our operating costs.**

You don't always see the fees, costs and taxes coming out of your super. Some deductions are shown in your account history but other deductions are made from Fund assets as a whole or from investment returns before these returns are added to your account balance. You can check your annual statement to see the details of the fees, costs and taxes that have been applied to your super each financial year. These are available through your **Member Online** account at [www.ngssuper.com.au/login](http://www.ngssuper.com.au/login).

## Fees and costs

We keep fees and costs low so your super grows faster. We are able to do this because:

- we are an industry fund run solely to benefit members
- we are a large fund, with the scale to negotiate good deals with service providers on behalf of our members
- we don't pay commissions to financial planners.

We have a flat fee structure so fees are applied equitably to all members. Although we have the scale to negotiate good deals with service providers, as an NGS Super member, you are not able to negotiate the fees and management costs that apply specifically to your super account.

## FEES AND COSTS

Fees and costs can be paid either directly from your account or deducted from your investment returns. We do not negotiate fees and costs with members or employers.

Type of fee	Amount	How and when paid														
<b>Investment fee</b>	Nil	See indirect costs below.														
<b>Administration fee</b>	\$1.25 per week PLUS 0.10% p.a. of your account balance, capped at \$500 p.a. <sup>1</sup>	Deducted from your account balance weekly. Deducted weekly <b>before</b> the unit price is determined. It is not a direct charge to your account.														
<b>Buy-sell spread</b>	Nil	N/A														
<b>Switching fee</b>	One free investment change each financial year. Any additional investment change will cost \$30.	Deducted from your account balance at the time of the switch.														
<b>Exit fee</b>	\$80 – <i>Accumulation account</i> \$0 – <i>Income account and Transition to Retirement account</i>	Deducted when a withdrawal is processed.														
<b>Advice fees</b> relating to all members investing in a particular investment option	Nil <sup>2</sup>	N/A														
<b>Other fees and costs<sup>3</sup></b>	Amounts vary depending on the nature of the fee and your personal circumstances	Insurance fees are deducted from your <i>Accumulation account</i> balance weekly, where applicable.														
<b>Indirect costs</b>	Varies according to your chosen investment option(s) and ranges between an estimated 0.13% p.a. – 1.40% p.a.  Refer to the <i>Additional explanation of fees and costs</i> on page 3 for further information about these costs.	Deducted from investment earnings before the unit price is determined. It is not a direct charge to your account.														
<b>Activity fees</b>																
<b>Family law – Application for information</b> (in the format specified under the Family Law Act).	Members: <b>\$100</b> Non-members: <b>\$110</b>	Payable to NGS Super by the person making the request for information at the time a request is made.														
<b>Family law – Splitting a benefit</b>	<b>\$100</b>	Deducted from your account at the time of the split.														
<b>Contribution splitting</b>	Nil	Deducted from your account when the contribution is split.														
<b>NGS Self Managed – trading fees</b>																
<b>Investment Gateway access fee</b> This fee applies only to members who have investments in NGS Self-Managed.	<b>\$4.75</b> per week.	Calculated daily and deducted on a monthly basis from your pre-mixed or sector-specific options. This fee will be charged separately for each <i>Accumulation</i> , <i>Transition to Retirement</i> or <i>Income account</i> you hold which you then use to access the NGS Self-Managed investments.														
<b>Brokerage fee</b> This fee applies only to members who trade shares and exchange traded funds (ETFs) in NGS Self-Managed.	<table border="1"> <thead> <tr> <th>Transaction amount</th> <th>Brokerage fee (excluding GST)</th> </tr> </thead> <tbody> <tr> <td>\$0 – \$4,167</td> <td>\$12.50 (flat fee)</td> </tr> <tr> <td>\$4,168 – \$10,000</td> <td>0.30%</td> </tr> <tr> <td>\$10,001 – \$30,000</td> <td>0.20%</td> </tr> <tr> <td>\$30,001 – \$50,000</td> <td>0.18%</td> </tr> <tr> <td>\$50,001 – \$100,000</td> <td>0.15%</td> </tr> <tr> <td>\$100,001+</td> <td>0.10%</td> </tr> </tbody> </table>	Transaction amount	Brokerage fee (excluding GST)	\$0 – \$4,167	\$12.50 (flat fee)	\$4,168 – \$10,000	0.30%	\$10,001 – \$30,000	0.20%	\$30,001 – \$50,000	0.18%	\$50,001 – \$100,000	0.15%	\$100,001+	0.10%	
Transaction amount	Brokerage fee (excluding GST)															
\$0 – \$4,167	\$12.50 (flat fee)															
\$4,168 – \$10,000	0.30%															
\$10,001 – \$30,000	0.20%															
\$30,001 – \$50,000	0.18%															
\$50,001 – \$100,000	0.15%															
\$100,001+	0.10%															
<b>Exchange traded fund fees</b> This fee applies only to members who have exchange traded funds (ETFs) in NGS Self-Managed.	A percentage fee ranging from 0.04% p.a. to 0.69% p.a.	Deducted from the value of securities in the ETF. It is not a direct charge to your account. The price quoted on the ASX reflects all fees and expenses incurred.														

<sup>1</sup> If at 30 June you have paid an asset-based fee greater than \$500 since the previous 1 July, a fee rebate will be credited to your account if you are still an NGS Super member at the time the rebate is to be credited. The rebate will be in the form of additional units.

<sup>2</sup> Comprehensive advice is available for a fee from NGS Financial Planning. You will need to agree to the fee before the personal advice is given and it will be shown in the Statement of Advice you receive. You may choose to have this fee deducted from your NGS Super account for advice relating to your super. Personal financial advice is provided by NGS Financial Planning Pty Ltd, ABN 89 134 620 518, which is a corporate authorised representative #394909 of Guideway Financial Services Pty Ltd, ABN 46 156 498 538, AFSL #420367 and offers financial planning services on behalf of NGS Super ABN 73 549 180 515.

<sup>3</sup> Insurance fees may apply. Refer to the [Insurance Guide](#) available at [www.ngssuper.com.au/PDS](http://www.ngssuper.com.au/PDS) for more information. See *Additional explanation of fees and costs* section for more details.

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## ADDITIONAL EXPLANATION OF FEES AND COSTS

### Definitions

Explanation of the fees and costs that you may be charged:

#### Activity fees

A fee is an **activity fee** if:

- a) the fee relates to costs incurred by the trustee of the fund that are directly related to an activity of the trustee:
  - (i) that is engaged in at the request, or with the consent, of a member; or
  - (ii) that relates to a member and is required by law; and
- b) those costs are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

#### Administration fees

An **administration fee** is a fee that relates to the administration or operation of the fund and includes costs incurred by the trustee that:

- a) relate to the administration or operation of the fund; and
- b) are not otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

#### Advice fees

A fee is an **advice fee** if:

- a) the fee relates directly to costs incurred by the trustee of the fund because of the provision of financial product advice to a member by:
  - (i) the trustee of the fund; or
  - (ii) another person acting as an employee of, or under an arrangement with, the trustee; and
- b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.

There is no charge for simple general advice or for certain limited personal advice. However if you receive personal advice from an NGS Financial Planner, a fee may apply. You will need to agree to the fee before the personal advice is given and it will be shown in the Statement of Advice you receive.

If you receive advice about your NGS super account from an NGS Super financial planner or other eligible adviser, you can have the fees for that advice deducted from your account.

#### Buy-sell spreads

A **buy-sell spread** is a fee to recover transactions costs incurred by the trustee of the fund in relation to the sale and purchase of assets of the fund.

#### Exit fees

An **exit fee** is a fee to recover the costs of withdrawing all or part of members' interests in the fund.

#### Insurance fees

A fee is an insurance fee if:

- a) the fee relates directly to either or both of the following:
  - (i) insurance fees paid by the trustee, or the trustees, of a superannuation fund in relation to a member or members of the fund
  - (ii) costs incurred by the trustee, or trustees of a superannuation fund in relation to the provision of insurance for a member or members of the fund, and
- b) the fee does not relate to any part of a fee paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk, and
- c) the fees and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.

Your insurance fee (if any) will depend on the type of insurance you have with NGS Super. For more information about insurance see our **Insurance Guide** at [www.ngssuper.com.au/PDS](http://www.ngssuper.com.au/PDS).

#### Investment fees

An **investment fee** is a fee that relates to the investment of the assets of a fund and includes:

- a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- b) costs incurred by the trustee of the fund that:
  - (i) relate to the investment of assets of the fund; and
  - (ii) are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

**Note:** In accordance with regulations, NGS Super's investment fees are disclosed in the indirect costs.

#### Indirect costs

The **indirect costs** are any amounts that will reduce the return for a member that is not charged to that member as a fee.

Indirect costs are deducted from the unit price of your investment option(s) and are reflected in the change in value of the unit price.

**Note:** A dollar-based fee deducted directly from a member's account is not included in the indirect costs.

#### Switching fees

A **switching fee** is a fee to recover the costs of switching all or part of a member's interest in the fund from one investment option or product to another.

## ADDITIONAL EXPLANATION OF FEES AND COSTS (continued)

### Investment management fees

Some asset classes and combinations are more expensive to manage than others. Accordingly, there are different fee structures for the different options.

The investment management fees shown in the tables on page 6 are an estimate and include costs that are payable to investment managers, asset consultants and the custodian.

Performance fees are paid to some investment managers when their performance exceeds agreed objectives. Some investment managers charge a base fee (Investment management fee) plus a performance fee which varies depending on the return achieved by the manager according to a specific benchmark. The estimated performance fees are also shown in the tables on page 6.

If all managers within the Diversified (MySuper) option who could earn a performance fee achieved their performance target for the year, the investment management fee would increase by an amount of **0.01%** p.a. If the performance fee is charged, it means that an investment manager has delivered performance that more than compensates for the fee increase.

### Indirect Cost

The below tables provides a total of the estimated indirect costs for each investment option for 2018/19.

	Investment option – <i>Accumulation and Transition to Retirement accounts</i>	Indirect costs % p.a. <sup>4</sup>
PRE-MIXED	Diversified (MySuper)	1.11%
	High Growth	1.04%
	Balanced	0.93%
	Defensive	0.96%
	Socially Responsible Diversified	1.04%
	Indexed Growth	0.29%
SECTOR-SPECIFIC	Shares Plus	0.79%
	Australian Shares	0.64%
	International Shares	0.63%
	Property	1.39%
	Diversified Bonds	0.64%
	Cash and Term Deposits	0.13%

	Investment option – <i>Income account</i>	Indirect costs % p.a. <sup>4</sup>
PRE-MIXED	Moderate Growth	0.97%
	Diversified	1.11%
	High Growth	1.06%
	Balanced	0.94%
	Defensive	0.96%
	Socially Responsible Diversified	1.06%
	Indexed Growth	0.29%
	Retire Plus	1.27%
	Shares Plus	0.82%
SECTOR-SPECIFIC	Australian Shares	0.70%
	International Shares	0.65%
	Property	1.40%
	Diversified Bonds	0.66%
	Cash and Term Deposits	0.13%

<sup>4</sup> The indirect cost is an estimate for 2018/19 based on 2017/18 costs. Past costs are not a reliable indicator of future costs. Actual costs will vary from year to year and will be shown in that year's Annual Report available at [www.ngssuper.com.au/annualreport](http://www.ngssuper.com.au/annualreport).

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## Transactional and operational costs

Transaction costs are incurred when assets are bought or sold. Different transaction costs arise depending on the assets involved. They may include:

- brokerage
- bid-ask spread
- buy sell spread
- settlement costs
- clearing costs
- stamp duty
- legal and other professional costs
- tax
- due diligence costs
- costs arising from an interposed vehicle that would be transactional and operational costs if incurred by the fund.

Transactional and Operational Costs are an additional cost to members and included in the Indirect costs. These costs may be deducted from investments before earnings are applied, or may reduce the earnings distributed to the fund from an interposed vehicle. They are not directly charged to members.

## Borrowing Costs

Borrowing costs are incurred through interposed vehicles that the fund invests in and include costs related to:

- interest
- establishment fees
- commitment fees
- line fees
- administrative fees
- margin fees.

These costs are an additional cost to members. Borrowing costs are paid from the interposed vehicle and reduce the earnings distributed to the fund. They are not charged directly to the member.

## Property Operating Costs

Property Operating Costs are not included in the Indirect costs total. Property Operating Costs are a transactional and operational cost that relates to property investments and includes costs in the ongoing management of a property. Costs may include:

- land tax
- repairs and maintenance
- management fees
- insurance
- landscaping
- leasing expenses.

These costs are an additional cost to members and not included in the Indirect costs total. Some Property Operating Costs may be recovered from revenue of the property investment. Property Operating Costs may reduce the earnings from the property investment that are distributed to the Fund. They are not charged directly to the member.

## Breakdown of Indirect Costs

The following tables provide further information on the breakdown of the indirect costs for each investment option. This is an estimate of the indirect costs for 2018/19<sup>4</sup>.

	Investment option – <i>Accumulation and Transition to Retirement accounts</i>	Total Indirect Cost	Management Fees	Performance Fees	Transactional and operational costs	Borrowing costs	Property Operating Costs (not included in total)
PRE-MIXED	Diversified (MySuper)	1.11%	0.61%	0.17%	0.27%	0.06%	0.13%
	High Growth	1.04%	0.58%	0.17%	0.24%	0.05%	0.11%
	Balanced	0.93%	0.50%	0.13%	0.25%	0.05%	0.13%
	Defensive	0.96%	0.49%	0.11%	0.28%	0.08%	0.20%
	Socially Responsible Diversified	1.04%	0.59%	0.11%	0.26%	0.08%	0.19%
	Indexed Growth	0.29%	0.17%	0.00%	0.12%	0.00%	0.00%
	Shares Plus	0.79%	0.56%	0.10%	0.13%	0.00%	0.00%
SECTOR-SPECIFIC	Australian Shares	0.64%	0.44%	0.02%	0.18%	0.00%	0.00%
	International Shares	0.63%	0.54%	0.00%	0.09%	0.00%	0.00%
	Property	1.39%	0.55%	0.00%	0.47%	0.37%	1.07%
	Diversified Bonds	0.64%	0.40%	0.00%	0.24%	0.00%	0.00%
	Cash and Term Deposits	0.13%	0.13%	0.00%	0.00%	0.00%	0.00%

	Investment option – <i>Income account</i>	Total Indirect Cost	Management Fees	Performance Fees	Transactional and operational costs	Borrowing costs	Property Operating Costs (not included in total)
PRE-MIXED	Moderate Growth	0.97%	0.55%	0.11%	0.26%	0.05%	0.13%
	Diversified	1.11%	0.63%	0.16%	0.26%	0.06%	0.13%
	High Growth	1.06%	0.63%	0.16%	0.22%	0.05%	0.11%
	Balanced	0.94%	0.52%	0.12%	0.25%	0.05%	0.13%
	Defensive	0.96%	0.50%	0.11%	0.27%	0.08%	0.20%
	Socially Responsible Diversified	1.06%	0.62%	0.11%	0.25%	0.08%	0.19%
	Indexed Growth	0.29%	0.17%	0.00%	0.12%	0.00%	0.00%
	Retire Plus	1.27%	0.59%	0.23%	0.34%	0.11%	0.28%
SECTOR-SPECIFIC	Shares Plus	0.82%	0.62%	0.09%	0.11%	0.00%	0.00%
	Australian Shares	0.70%	0.57%	0.00%	0.13%	0.00%	0.00%
	International Shares	0.65%	0.56%	0.00%	0.09%	0.00%	0.00%
	Property	1.40%	0.56%	0.00%	0.47%	0.37%	1.07%
	Diversified Bonds	0.66%	0.42%	0.00%	0.24%	0.00%	0.00%
	Cash and Term Deposits	0.13%	0.13%	0.00%	0.00%	0.00%	0.00%

<sup>4</sup> The indirect cost is an estimate for 2018/19 based on 2017/18 costs. Past costs are not a reliable indicator of future costs. Actual costs will vary from year to year and will be shown in that year's Annual Report available at [www.ngssuper.com.au/annualreport](http://www.ngssuper.com.au/annualreport).

## Changes to fees

The Trustee has the right to increase fees at any time. Increases may be due to changes in economic conditions or government regulations, increased costs or a substantial reduction in the size of the Fund. The Trustee will give you **30 days'** notice of any increases to fees deducted directly from your account.

The fees and costs for investment options reflect costs paid by the Fund to external providers and may change from time to time. Changes are detailed in the **Annual Report** which is available on the NGS Super website at [www.ngssuper.com.au/annualreports](http://www.ngssuper.com.au/annualreports).

## Example of annual fees and costs

This table gives an example of how the fees and costs for the *Accumulation* and *Transition to Retirement* accounts Diversified (MySuper) investment option and the *Income* account Moderate Growth investment option can affect your super investment over a one year period. You should use this table to compare NGS Super *Accumulation* account with other super products and NGS Super *Income* account with other retirement income products.

EXAMPLE		Balance of \$50,000 – the Diversified (MySuper) <sup>5</sup> Accumulation account option	Balance of \$50,000 – the Moderate Growth <sup>6</sup> Income account option
Investment fees	Nil	For every \$50,000 you have in Diversified (MySuper), you will be charged <b>\$0</b> each year.	For every \$50,000 you have in Moderate Growth, you will be charged <b>\$0</b> each year.
PLUS Administration fees	\$65 p.a. (\$1.25 per week) <b>plus</b> 0.10% p.a. of your account balance capped at \$500 <sup>7</sup> p.a.	<b>\$65</b> in administration fees regardless of your balance <b>plus</b> \$50 each year.	<b>\$65</b> in administration fees regardless of your balance <b>plus</b> \$50 each year.
PLUS Indirect costs for investment option	1.11% p.a. Diversified (MySuper) 0.97% p.a. Moderate Growth	And indirect costs of <b>\$555</b> each year will be deducted from your investment.	And indirect costs of <b>\$485</b> each year will be deducted from your investment.
EQUALS Cost of account <sup>8</sup>		If your balance was \$50,000 then for that year you will be charged fees of <b>\$670</b> for the Diversified (MySuper) account.	If your balance was \$50,000 then for that year you will be charged fees of <b>\$600</b> for the Moderate Growth account.

**Note:** This example assumes no insurance. If insurance cover is taken, insurance fees (premiums) will apply. For more information, refer to the **Insurance Guide** at [www.ngssuper.com.au/PDS](http://www.ngssuper.com.au/PDS).

<sup>5</sup> The Diversified (MySuper) investment option is the default option for the *Accumulation* account and *Transition to Retirement* account.

<sup>6</sup> The Moderate Growth investment option is the default option for the *Income* account.

<sup>7</sup> If at 30 June you have paid an asset-based fee greater than \$500 since the previous 1 July, a fee rebate will be credited to your account if your account is still open at the time the rebate is to be credited. The rebate will be in the form of additional units.

<sup>8</sup> Additional fees may apply (refer to page 2 for details).

## Tax

Super can be a tax-effective way of saving for your retirement. Super is taxed in three ways:

- 1) on contributions,
- 2) on investment earnings, and
- 3) when you withdraw super.

### Tax on contributions

Not all the money you put into super will be taxed. It depends on the type of contribution and if it has already been taxed before you contribute it to super, if you exceed the super contribution limits or if you are a higher-income earner.

NGS Super is a 'Taxed' fund, which means we will deduct the tax due to the ATO on all before-tax contributions when they are received.

Before-tax contributions paid to an 'Untaxed' fund (such as a Government fund) will not be taxed when the contribution is made, however, will be taxed when you make a withdrawal.

Type of contribution	Tax rate	Details
<b>Before-tax (concessional)</b>		
<p>These include:</p> <ul style="list-style-type: none"> <li>▪ employer contributions;</li> <li>▪ salary sacrifice contributions;</li> <li>▪ any personal contributions for which you claim a tax deduction.</li> </ul> <p>Your age and you meeting the work test, may impact your ability to make concessional contributions. See our fact sheet <a href="#">Opportunities and limits for super contributions</a> for more details.</p>	<ul style="list-style-type: none"> <li>▪ 15% if you earn less than \$250,000 or</li> <li>▪ 30% if you earn more than \$250,000 (see <a href="#">Tax for high income earners</a> on page 10).</li> </ul> <p><b>Excess contributions (above your cap)</b></p> <p>All excess contributions will include an interest charge and will be:</p> <ul style="list-style-type: none"> <li>▪ included as taxable income, and</li> <li>▪ taxed at your personal tax rate less a 15% tax offset.</li> </ul>	<p>You can contribute up to \$25,000 to your super from your before-tax income.</p> <p>You will be able to carry-forward unused concessional contributions (see note below).</p> <p>If you exceed the limit, you can choose:</p> <ul style="list-style-type: none"> <li>▪ to withdraw up to 85% of your excess contributions from your account or</li> <li>▪ leave it in your super account and it will count towards your after-tax contributions cap.</li> </ul>
<b>Carry-forward any unused concessional contributions cap</b>		
<p>From 1 July 2018, you will be able to 'carry-forward' any unused amount of your concessional contributions cap if you:</p> <ul style="list-style-type: none"> <li>▪ have a Total Superannuation Balance of less than \$500,000 on 30 June of the previous financial year, and</li> <li>▪ are eligible to make concessional contributions.</li> </ul> <p>The first year you will be able to access a higher concessional contributions cap (taking advantage of your unused portion for the previous year) is 2019/20. You will be able to access your unused concessional contributions cap on a rolling basis for five years. Amounts carried forward that have not been used after five years will expire.</p>		
<b>After-tax (non-concessional)</b>		
<p>Voluntary contributions you make from after-tax money for which you do not claim an income tax deduction. They include Spouse contributions.</p> <p>We must have your Tax File Number to accept these contributions.</p> <p>Your Total Super Balance<sup>10</sup>, your age and you meeting the work test, may impact your ability to make after-tax contributions. A Downsizer contribution<sup>9</sup> is the exception, and if eligible, is not included in the cap.</p>	<p>Nil up to your cap</p> <p><b>Excess contributions (above your cap)</b></p> <p>If withdrawn from super:</p> <ul style="list-style-type: none"> <li>▪ no additional tax on the contribution; and</li> <li>▪ 85% of the associated earnings will also be withdrawn and taxed at your personal rate of tax less a 15% tax offset.</li> </ul> <p>If left in super</p> <ul style="list-style-type: none"> <li>▪ taxed at 47% (including medicare levy).</li> </ul>	<p>The annual cap is:</p> <ul style="list-style-type: none"> <li>▪ \$100,000 p.a. provided your Total Super Balance<sup>10</sup> is less than \$1.6m, or</li> <li>▪ \$300,00 over a three-year period using the bring-forward rule if you are under age 65 and eligible, or</li> <li>▪ \$Nil where your Total Super Balance<sup>10</sup> as at 30 June the previous year is greater than \$1.6m. An after-tax contribution received will be treated as an excess contribution.</li> </ul> <p>If you exceed the limit you can choose:</p> <ul style="list-style-type: none"> <li>▪ to withdraw from super or</li> <li>▪ leave it in your super account.</li> </ul>

<sup>9</sup> If you are aged 65 or over, you may be able to sell your home and make a Downsizer contribution. More information can be found in our Information sheet [Downsizer contribution](#), available at [www.ngssuper.com.au/PDS](http://www.ngssuper.com.au/PDS)

<sup>10</sup> If your Total Super Balance (across all your super funds) at 30 June is \$1.6 million or more, you cannot make any after-tax contributions. If your total super balance is more than \$1.4m and less than \$1.6m, your bring-forward amount is the difference between your balance and \$1.6m.



## Tax on earnings and withdrawals from 1 July 2018

	Accumulation account (tax payable)	Transition to Retirement account (tax payable)	Income account (tax payable)	
<b>Earnings</b>	<b>Investment earnings</b>			
	Investment earnings	Up to 15% tax. Paid from investment earnings before the unit price is set.	Up to 15% tax Paid from investment earnings before the unit price is set.	Nil
	<b>Benefit payments</b>			
	<b>If you are over age 60</b>			
	▪ tax-free component	Nil	Nil	Nil
	▪ taxable component	Nil	Nil	Nil
	<b>If you are over the preservation age<sup>13</sup> but under age 60</b>			
	▪ tax-free component	Nil	Nil	Nil
	▪ taxable component	Nil on the first 205,000 <sup>11</sup> of the taxable portion of your benefit 15% (plus Medicare levy) on the taxable portion of your benefit over 205,000 <sup>11</sup>  The taxable portion is your total benefit paid less any tax-free portion	Generally, tax is paid at your marginal tax rate less a 15% tax offset	Tax at your marginal tax rate on the taxable portion of your <b>income payment</b> with a 15% tax offset Nil up to 205,000 <sup>11</sup> on your <b>lump sum</b> payments 15% on lump sum payments in excess of 205,000 <sup>11</sup>
	<b>Under preservation age<sup>13</sup></b>			
▪ tax-free component	Nil	Nil	Nil	
▪ taxable component	20% (plus Medicare levy)	Taxed at marginal tax rate with no tax offset (15% tax offset is applicable if a disability super benefit is paid).	Taxed at marginal tax rate with no tax offset (15% tax offset is applicable if a disability super benefit is paid).	
<b>First home super saver payments</b> These are payments made to eligible members as determined by the ATO. See our Information sheet <a href="#">First home super saver scheme</a> .		Not applicable	Not applicable	
▪ tax-free component	Nil			
▪ taxable component	Your marginal tax rate with a 30% tax offset			
<b>Withdrawals</b>	<b>Departing Australia Super Payments (DASP)</b> These are payments to foreign nationals (non-permanent residents) leaving Australia permanently.		Not applicable	Not applicable
	▪ tax-free component	Nil		
	▪ taxable component	65% (deducted prior to payment)		
	<b>Death benefits</b>			
	<b>Payment to a dependant</b> (as defined for tax purposes)	Nil	<b>If the death benefit is paid as an income stream:</b> ▪ Nil if you are over age 60 ▪ Nil if your dependant is over age 60 ▪ If you and your dependant are under age 60: - Nil for tax-free component - Dependant's marginal tax rate with a 15% tax rebate on taxable component	<b>If the death benefit is paid as an income stream:</b> ▪ Nil if you are over age 60 ▪ Nil if your dependant is over age 60 ▪ If you and your dependant are under age 60: - Nil for tax-free component - Dependant's marginal tax rate with a 15% tax rebate on taxable component
			<b>If the death benefit is paid as a lump sum payment:</b> Nil	<b>If the death benefit is paid as a lump sum payment:</b> Nil
	<b>Payment to an estate</b>	Tax is payable based on the classification of the beneficiaries. The estate will be required to pay any applicable tax.	Tax is payable based on the classification of the beneficiaries. The estate will be required to pay any applicable tax.	Tax is payable based on the classification of the beneficiaries. The estate will be required to pay any applicable tax.
	<b>Payment to a non-dependant<sup>14</sup></b> (as defined for tax purposes).			
	▪ tax-free component	Nil	Nil	Nil
	▪ taxable component	15% (plus Medicare levy) Tax <sup>12</sup> is deducted by NGS Super before the payment is made.	15% tax (plus Medicare levy) Tax <sup>12</sup> is deducted by NGS Super before the payment is made.	15% tax (plus Medicare levy) Tax <sup>12</sup> is deducted by NGS Super before the payment is made.

<sup>11</sup> This amount is subject to indexation. The low rate cap amount shown is reduced by any amount previously applied to the low rate threshold.

<sup>12</sup> Tax is deducted from benefit payments on a PAYG basis. You will need to report the details of any payments received as part of your annual tax return and the ATO may calculate an adjustment depending on your personal circumstances.

<sup>13</sup> Preservation age is the legislated age at which you can access your super. More detail can be found in our fact sheet [Gaining Access to Your Super](#) available at [www.ngssuper.com.au/PDS](http://www.ngssuper.com.au/PDS).

<sup>14</sup> Non-dependants for tax purposes generally include children over the age of 18 unless they remain financially dependent on the member.

## Tax for high-income earners

If you're a high-income earner with an adjusted taxable income of more than \$250,000 a year, the tax on your concessional contributions is 30%.

If your income is less than \$250,000 a year, but by including your concessional contributions the total is more than \$250,000, the 30% tax rate will apply to the part of your concessional contributions that are over \$250,000.

For example, if your income is \$230,000 and your concessional contributions are \$25,000, you will be taxed:

- 15% on \$20,000, and
- 30% on \$5,000 (the balance above \$250,000).

## How to claim a tax deduction on your contributions

If you are under the age of 75, you will be able to claim a tax deduction on your after-tax contributions. The contributions that you claim as a tax deduction will count towards your concessional contributions cap. If you exceed your cap, you will have to pay extra tax and any excess concessional contributions will count towards your non-concessional contributions cap. This ensures those individuals who may be partly self-employed and partly employed, or individuals who work for employers who don't accommodate salary sacrificing arrangements to be able to make concessional contributions to their super account. For those aged 65-74, you will need to satisfy the work test<sup>15</sup> to make a contribution to your NGS account and claim a tax deduction.

Once you make a contribution, you have until the earlier of:

- the date you submit your tax return, or
- the end of the following financial year in which the personal contributions were made, to claim your tax deduction.

**Note:** if you wish to take advantage of contribution splitting or another benefit payment, you will need to advise NGS Super of your intent to claim a tax deduction prior to any benefit payment request. **You will not be able to claim a tax deduction if the transfer occurs first.**

**To claim a tax deduction you will need to complete the following steps:**

### Step 1:

Complete the **Notice of intent to claim or vary a deduction for personal super contributions form** available at [www.ngssuper.com.au/forms](http://www.ngssuper.com.au/forms). This tells us the amount you want to claim.

### Step 2:

Receive confirmation from NGS Super.

Once we receive your form, we'll write to you confirming the amount you want to claim. 15% contributions tax will then be deducted from your contributions and reported on your next member statement.

### Step 3:

Submit your tax return.

You will need to advise your tax professional of the deduction when completing your tax return.

<sup>15</sup> To satisfy the work test, you must work at least 40 hours during a consecutive 30-day period in the year you want to claim a deduction for a personal super contribution.

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## Total and permanent disablement benefits

If you are paid a total and permanent disablement benefit, you won't pay tax on any part of the payment that qualifies as an invalidity payment.

## Tax file number (TFN)

You are not required to provide your tax file number (TFN) to NGS Super. If you don't provide it, you may pay more tax than you need to on your benefit payments. If you are over age 60, you do not need to provide your TFN and any payments made are tax-free. Providing your TFN also makes it easier for you to track your super. Login to [Member Online](#) and select the tile [Find my Super](#) and let us help you get all your super together.

Legally the Trustee can use your TFN when paying out moneys, identifying and amalgamating super benefits, and for any other approved purposes. Approved purposes and the consequences of not quoting your TFN may change in the future.

If you do have a TFN and haven't yet provided it to us, you can:

- log on to [Member Online](#) and provide it to us, or
- complete a [Providing your tax file number form](#) available on our website at [www.ngssuper.com.au/forms](http://www.ngssuper.com.au/forms) and post it to us.

## The Transfer Balance Cap

A transfer balance cap is 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 tax-free investment earnings. All individuals have their own transfer balance cap.

The transfer balance cap applies to all super you have invested in the retirement phase. Super transferred into the retirement phase prior to 1 July 2017 was assessed on 1 July 2017. Super transferred since then, will be assessed at the time the *Income account* commenced.

An **excess transfer balance** occurs if your *transfer balance account* (managed by the ATO) exceeds your *transfer balance cap* at the end of a particular day. The ATO will issue you with an *excess transfer balance determination* which sets an amount that you must remove from your retirement phase account.

To remove an excess amount from retirement phase, you need to commute part of the value of your income stream into a lump sum (and either transfer it into an accumulation account or withdraw it from super). You can either:

- commute excess amounts voluntarily,
- or
- the ATO will require NGS super to transfer the amount.

You will also be liable for *excess transfer balance tax*. This tax will continue to accrue until you remove your *excess transfer balance* amount.

Further details can be found at [www.ato.gov.au](http://www.ato.gov.au)

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## More information?

### Contact us

You can contact us at [www.ngssuper.com.au/contact-us](http://www.ngssuper.com.au/contact-us) or call us on **1300 133 177** between 8.00am and 8.00pm (AEST or AEDT), Monday to Friday.

Phone number for callers outside Australia **+61 3 8687 1818**

Fax: **(03) 9245 5827**

Postal address  
GPO Box 4303  
MELBOURNE VIC 3001

Have you considered obtaining professional advice to understand how super works for your personal situation.

We offer single-issue advice limited to your NGS Super account at no cost:

- over the phone through our Financial advice Helpline, or
- through our Customer Relationship Managers who may be able to meet you face-to-face.

Further, we offer low-cost personal advice through NGS Financial Planning.

To make an appointment phone us on **1300 133 177** or complete the **Financial planning enquiry form** on our website at [www.ngssuper.com.au/financial-planning](http://www.ngssuper.com.au/financial-planning).

### Important information

You should consider all the information contained in the Product Disclosure Statement dated 24 September 2018 and incorporated fact sheets before making a decision about investing in NGS Super.

The information provided in this fact sheet 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.

NGS Financial Planning Pty Ltd, ABN 89 134 620 518, is a corporate authorised representative #394909 of Guideway Financial Services Pty Ltd, ABN 46 156 498 538, AFSL #420367 and offers financial planning services on behalf of NGS Super ABN 73 549 180 515.

[www.ngssuper.com.au](http://www.ngssuper.com.au)  
**1300 133 177**