

SUPER EASY SUPER

INFORMATION SHEET

JULY 2018

Understanding super

Here are **9 key points** to help you understand your super and how it works.

1. Your superannuation guarantee

If you are working for an employer, a percentage of your salary is usually paid into a super account in your name and invested. This is referred to as your Superannuation Guarantee (SG). Your SG account has to stay in the super system, usually until you retire, however you can move this account with you when you change jobs or super funds and you can access it in certain circumstances (see point 2).

The SG rate is 9.5% of your ordinary time earnings (OTE) and is proposed to rise to 12% by 1 July 2025. For more information, refer to our fact sheet **Opportunities and limits for super contributions** on our website at www.ngssuper.com.au/PDS.

2. When can you get your super?

In your super account, there are generally two kinds of super savings:

- **preserved** super benefits, and
- **non-preserved** benefits.

Your **preserved** benefits refers to money in your super savings that must be kept in a superannuation fund until a 'condition of release' occurs.

When you **reach your preservation age** (see table to the left) you can access:

- 4-10% of your super each year as a transition to retirement pension (read our fact sheet **Transition to retirement**), or
- all of your super (as a lump sum or pension) if you **permanently retire** from the workforce and declare that you intend to never become gainfully employed (either full-time or part-time) again.

Between ages 60 and 64 you can access:

- 4-10% of your super each year as a transition to retirement pension if you have not yet met a condition of release, or
- all of your super (as a lump sum or pension) if an arrangement under which you were gainfully employed ceases on or after age 60 (for example, if you are retrenched or change your job — you don't necessarily need to have retired).

After age 65 you can access:

- all of your super (as a lump sum or pension).

Special rules cover people who stop working because of disability or may need their super due to financial hardship. For more information including all the conditions of release, read our fact sheet **Gaining access to your super** available at www.ngssuper.com.au/PDS.

Preservation table

Date of birth	Preservation age
Before 1 July 1960	55
Between 1 July 1960 and 30 June 1961	56
Between 1 July 1961 and 30 June 1962	57
Between 1 July 1962 and 30 June 1963	58
Between 1 July 1963 and 30 June 1964	59
After 30 June 1964	60

3. The taxman and super

Super offers tax advantages. Some of these include:

- Your Super Guarantee and any before-tax (or salary sacrifice) contributions you make to super are taxed at just 15%¹, compared with up to 47% outside super.
- Investment earnings on your super account are also taxed at a maximum of just 15% and if you have an NGS *Income account*, investment earnings are tax-free.
- If you put after-tax money into super, you don't pay any tax on it when you withdraw the money.
- From age 60, you will generally not pay any tax on the withdrawals you make from NGS Super.

For more information on tax and your super, refer to our fact sheet **Fees, costs and tax** on our website at www.ngssuper.com.au/PDS.

4. What does it cost?

Costs can vary a lot depending on the kind of fund you join. NGS Super is an industry fund that pays no commissions to financial planners. Apart from the costs of managing the Fund, we return all profits to members.

You pay:

- a weekly administration fee of just \$1.25
- an asset-based fee of just 0.1% pa of your account balance, and
- investment costs depending on your investment choice.

For more information on fees and costs, refer to our fact sheet **Fees, costs and tax** on our website at www.ngssuper.com.au/PDS.

5. You can choose your investments

NGS Super members have a suite of investment options to choose from, ranging from conservative to high-growth strategies. If you don't choose an investment option, your super is invested in our default option, Diversified (*MySuper*), which aims for long-term growth. For more information about your investment options with NGS Super, please refer to our **Investment Guide** available at www.ngssuper.com.au/PDS.

6. How much super will you need?

We all have different needs and plans for our retirement, so it's hard to say how much you will need. The Association of Superannuation Funds of Australia Limited (ASFA) regularly benchmarks the cost of living for retirees.

The estimates for March 2018 quarter² are that a comfortable retirement will cost a:

- single person \$42,764 per annum (\$1,638 per fortnight), and
- couple \$60,264 per annum (\$2,309 per fortnight).

This assumes you own your own home and are relatively healthy.

You can use our online **True Wealth Retirement calculator** available through our website to get an indication of your future super savings. You can access all our calculators at www.ngssuper.com.au/ngs-calculators.

¹ 30% if your 'combined income' is more than (\$250,000 pa). 'Combined income' includes before-tax contributions and reportable fringe benefits.

² The ASFA Retirement Standard can be viewed at www.superannuation.asn.au

7. You can give your super a boost

To help your retirement savings along, you can put extra money into your super provided you are eligible and you keep within the government's limits. You can:

- pay in before-tax money, which your employer deducts from your salary as salary sacrifice contributions,
- or
- you can make after-tax contributions (deducted from your salary, or paid by cheque or BPAY[®]).

For more information relating to the different methods of contributing to your super and the maximum amounts allowed, please see the following fact sheets available at www.ngssuper.com.au/PDS

- **Let the government top up your super**
- **Salary sacrifice and save**
- **Make spouse contributions work for you**
- **Split super contributions with your spouse**
- **Opportunities and limits for super contributions.**

8. Affordable insurance cover

Many Australians have little or no insurance cover for their most important asset – themselves! If your employer is making SG contributions to NGS Super on your behalf, you may be eligible to receive a basic level of cover for:

- life (including terminal illness),
- total and permanent disability (TPD), and
- income protection.

It's affordable, and the premiums are deducted from your super account. You can also apply for higher levels of cover.

For more information, please read the **Insurance Guide** on our website www.ngssuper.com.au/PDS.

SUPER MADE EASY

9. Need more information?

Our website, www.ngssuper.com.au is your one-stop information spot for everything you need to know about NGS and your super. We also provide regular email communication as well as statement mailouts.

You can contact us by mail, phone, fax or email (see the back page). You can also ask us a question on Facebook or Twitter.

In addition, our Customer Relationship Managers visit workplaces regularly to meet members, answer their questions and give talks on super.

Why super matters

When you start saving your super, the money you have in your account seems to grow by small amounts and very slowly. It hardly seems worth bothering about.

But super is designed to build over the long term – for the forty or more years you might spend in the workforce. Over your working life, your super account can grow into more money than you might ever see in one place.

Super could even become your biggest asset. That makes it worth understanding and worthy of good management.

Finding your lost super

There is about \$18 billion in lost and unclaimed super and some of it may be yours.

As a member, we can do a search for you to locate any superannuation money held with the ATO. If we locate any ATO held money, we will transfer these amounts into your NGS Super account.

When performing the search, if we locate other superannuation accounts held with other super funds, we will advise you and you will have the **option** to combine these into your NGS Super account.

To authorise us to perform a search, log into your **Member Online** account and simply select **Find my Super**.

This information sheet offers you a simple introduction to some super basics. You can find a lot more about super and NGS Super on our website and in our **Product Disclosure Statement**.

NGS Super – quick facts

- NGS Super is a national industry super fund
- We specialise in super for people working in non-government education and community-focused organisations
- As an industry fund, NGS Super is run only to benefit members, charges low fees and pays no commissions to financial planners
- If you change employer, state or even occupation, you can take us with you wherever you go, anywhere in Australia.

More information?

Contact us

You can contact us at
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

Consider 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
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

The information provided in this
information 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
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