

# FEES, COSTS AND TAX

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

FACT SHEET 6

5 OCTOBER 2021

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 activity (available through **Member Online**) 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 **Member Online** at [ngssuper.com.au/MOL](https://ngssuper.com.au/MOL)

## Fees and costs

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

- we are an Industry SuperFund 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.

As required by superannuation law, we apply fees equitably to all members. As an NGS Super member, you are not able to negotiate the fees and costs that apply specifically to your super account.

## Consumer advisory warning

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.<sup>1</sup>

### To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website ([www.moneySMART.gov.au](https://www.moneySMART.gov.au)) has a superannuation calculator to help you check out different fee options.

<sup>1</sup> We are required to make this statement. We do not negotiate fees and costs with members or employers.

## FEES AND OTHER COSTS

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of NGS Super as a whole.

Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you. Entry fees and exit fees cannot be charged.

Taxes, insurance fees and other costs relating to insurance are set out in another part of this document.

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

The fees and other costs for each investment option offered in NGS Super, are set out further in this document.

On or after 1 December 2021, the Trustee will be introducing a Trustee Fee to remunerate it for the trustee services it provides in the administration and governance of the Fund. The fee is intended to be deducted from trustee reserves and is subject to both a judicial advice application to the Supreme Court of New South Wales and subsequent amendment of the Fund's trust deed.

### Fees and costs summary

Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>2</sup></b>		
<b>Administration fees and costs</b>	\$65 p.a. (\$1.25 per week) <b>plus</b> 0.10% p.a. of your account balance, capped at \$500 p.a. <sup>3</sup>	Deducted from your account balance weekly. Deducted from investment earnings <b>before</b> the unit price is determined. It is not a direct charge to your account.
<b>Investment fees and costs<sup>4</sup></b>	Varies according to your chosen investment option(s) and ranges between 0.03% p.a. and 0.87% p.a.	Deducted from investment earnings <b>before</b> the unit price is determined. It is not a direct charge to your account.
<b>Transaction costs</b>	Varies according to your chosen investment option(s) and ranges between 0.00% p.a. and 0.15% p.a.	Deducted from investment earnings <b>before</b> the unit price is determined. It is not a direct charge to your account.
<b>Member activity related fees and costs</b>		
<b>Buy-sell spread</b>	Nil	N/A
<b>Switching fee</b>	Nil	N/A
<b>Other fees and costs<sup>5</sup></b>	Various, depending on insurance cover you have or personal advice you obtain.	Insurance fees are deducted from insured members' accounts each week in arrears. Personal advice fees are deducted from members' accounts where permitted and agreed.
<b>Activity fee</b>		
<b>Family law – Application for information</b> (in the format specified under the Family Law Act).	\$40	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>	\$100	Split between both parties, deducted at the time of the split.
<b>Contribution splitting</b>	Nil	N/A

<sup>2</sup> If your account balance with the *NGS Accumulation, TTR or Income account* is less than \$6,000 at the end of our income year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

<sup>3</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>4</sup> Investment fees and costs include performance fees. The calculation basis is set out under **Additional explanation of fees and costs**.

<sup>5</sup> Insurance fees may apply. Refer to our **Insurance guide** at [ngsuper.com.au/PDS](https://ngsuper.com.au/PDS) for more information. Tailored personal 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. See **Additional explanation of fees and costs**.

## FEES AND OTHER COSTS (continued)

Type of fee	Amount	How and when paid
<b>NGS Self-Managed Direct Investment Option (DIO) – trading fees</b>		
<b>Investment Gateway access fee</b> This fee applies only to members who have investments in NGS Self-Managed DIO.	\$4.75 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</i> account you hold which you then use to access the NGS Self-Managed DIO investments.
<b>Brokerage fee</b> This fee applies only to members who trade shares and exchange traded funds (ETFs) in NGS Self-Managed DIO.	0.10% with a minimum fee of \$20 (excludes GST).	This fee is applied for each trade (buy or sell) for shares and exchange traded funds and is deducted from the cash hub at the time of the trade.
<b>Exchange traded fund fees</b> This fee applies only to members who have exchange traded funds (ETFs) in NGS Self-Managed DIO.	A percentage fee ranging from 0.04% p.a. and 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.
<b>Manual transaction fee</b>	\$25 plus GST	Calculated when a manual transaction occurs and deducted from your cash hub.

### Example of annual fees and costs

This table gives an example of how the ongoing annual fees and costs for the Diversified (MySuper) investment option for this superannuation product can affect your superannuation investment over a 1-year period. You should use this table to compare this superannuation product with other superannuation products.

EXAMPLE — Diversified (MySuper) option		Balance of \$50,000
Administration fees and costs	\$65 p.a. (\$1.25 per week) <b>plus</b> 0.10% p.a. of your account balance.	For every \$50,000 you have in Diversified (MySuper), you will be charged or have deducted from your investment <b>\$50</b> in administration fees and costs, plus <b>\$65</b> regardless of your balance.
<b>PLUS</b> Investment fees and costs <sup>6</sup>	0.70% p.a.	<b>And</b> , you will be charged or have deducted from your investment <b>\$350</b> in investment fees and costs.
<b>PLUS</b> Transaction costs <sup>6</sup>	0.09% p.a.	<b>And</b> , you will be charged or have deducted from your investment <b>\$45</b> in transaction costs.
<b>EQUALS</b> Cost of Diversified (MySuper) option		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of <b>\$510</b> for the Diversified (MySuper) option.

**Note:** Additional fees may apply. This example assumes no insurance. If insurance cover is taken, insurance fees (premiums) will apply. For more information, refer to the [Insurance guide](#) at [ngssuper.com.au/PDS](http://ngssuper.com.au/PDS). The percentage-based administration fee (which is \$50 for every \$50,000 you have in this investment option) is capped at \$500 p.a.

This table gives an example of how the ongoing annual fees and costs for the NGS *Income account* Moderate Growth investment option can affect your retirement income investment over a 1-year period. You should use this table to compare this retirement income product with other retirement income products.

EXAMPLE — Moderate Growth option		Balance of \$50,000
Administration fees and costs	\$65 p.a. (\$1.25 per week) <b>plus</b> 0.10% p.a. of your account balance	For every \$50,000 you have in Moderate Growth, you will be charged or have deducted from your investment <b>\$50</b> in administration fees and costs, plus <b>\$65</b> regardless of your balance.
<b>PLUS</b> Investment fees and costs <sup>6</sup>	0.60% p.a.	<b>And</b> , you will be charged or have deducted from your investment <b>\$300</b> in investment fees and costs.
<b>PLUS</b> Transaction costs <sup>6</sup>	0.08% p.a.	<b>And</b> , you will be charged or have deducted from your investment <b>\$40</b> in transaction costs.
<b>EQUALS</b> Cost of Moderate Growth option		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of <b>\$455</b> for the Moderate Growth option.

**Note:** Additional fees may apply. The percentage-based administration fee (which is \$50 for every \$50,000 you have in this investment option) is capped at \$500 p.a.

<sup>6</sup> Investment fees and costs, and transaction costs are based on equivalent 2020/21 fees and 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 [ngssuper.com.au/annualreport](http://ngssuper.com.au/annualreport)

## Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your super investment over a 1-year period for all super products and investment options. It is calculated in the manner shown in the **Example of annual fees and costs**.

The cost of product information assumes a balance of \$50,000 at the beginning of the year. (Additional fees such as a buy-sell spread may apply: refer to the **Fees and costs summary** for the relevant superannuation product or investment option.)

You should use this figure to help compare superannuation products and investment options.

**Table 1: Cost of product**

	Investment option – <i>Accumulation and Transition to Retirement accounts</i>	Cost of product
PRE-MIXED	Diversified (MySuper)	\$510
	High Growth	\$570
	Balanced	\$430
	Defensive	\$415
	Socially Responsible Diversified	\$505
	Indexed Growth	\$140
SECTOR-SPECIFIC	Shares Plus	\$420
	Australian Shares	\$415
	International Shares	\$425
	Infrastructure	\$575
	Property	\$470
	Diversified Bonds	\$420
	Cash and Term Deposits	\$140

	Investment option – <i>Income account</i>	Cost of product
PRE-MIXED	Moderate Growth	\$455
	Diversified	\$515
	High Growth	\$575
	Balanced	\$435
	Defensive	\$415
	Socially Responsible Diversified	\$510
SECTOR-SPECIFIC	Indexed Growth	\$140
	Retire Plus	\$500
	Shares Plus	\$430
	Australian Shares	\$420
	International Shares	\$425
	Infrastructure	\$600
	Property	\$475
Diversified Bonds	\$420	
Cash and Term Deposits	\$140	

## ADDITIONAL EXPLANATION OF FEES AND COSTS

### Investment fees and costs

Investment fees and costs are expenses that relate to the investment of assets. This includes base and performance related fees paid to investment managers, management fees charged in investment vehicles, asset consulting fees, bank fees, custodian fees and internal costs related to the management of the Fund's assets.

Investment fees and costs are taken into account in the calculation of the unit prices for the investment options, and are therefore reflected in the returns allocated to your account through changes in the unit prices.

Investment fees and costs in respect of all investment options are based on the actual fees and costs incurred over the year ended 30 June 2021. The actual amount of investment fees and costs will vary from year to year and will be shown in that year's annual report.

Investment fees and costs (which include performance fees where applicable for each investment option) are shown below. Further information about performance fees are provided on page 7.

**Table 2: Investments fees and costs**

	Investment option – Accumulation and Transition to Retirement accounts	Investment fees and costs p.a. ^		Investment option – Income account	Investment fees and costs p.a. ^
PRE-MIXED	Diversified (MySuper)	0.70%	PRE-MIXED	Moderate Growth	0.60%
	High Growth	0.82%		Diversified	0.71%
	Balanced	0.56%		High Growth	0.82%
	Defensive	0.54%		Balanced	0.57%
	Socially Responsible Diversified	0.64%		Defensive	0.54%
	Indexed Growth	0.03%		Socially Responsible Diversified	0.64%
	Shares Plus	0.51%		Indexed Growth	0.03%
				Retire Plus	0.68%
SECTOR-SPECIFIC	Australian Shares	0.48%	SECTOR-SPECIFIC	Shares Plus	0.51%
	International Shares	0.52%		Australian Shares	0.48%
	Infrastructure	0.84%		International Shares	0.52%
	Property	0.59%		Infrastructure	0.87%
	Diversified Bonds	0.57%		Property	0.59%
	Cash and Term Deposits	0.05%		Diversified Bonds	0.57%
				Cash and Term Deposits	0.05%

^ For further information about performance fees, refer to page 7.

## ADDITIONAL EXPLANATION OF FEES AND COSTS *(continued)*

### Transaction costs

Transaction costs include explicit transaction costs such as brokerage, settlement costs or stamp duty, as well as buy-sell spreads charged by our investment managers or in underlying investment vehicles.

Currently, buy-sell spreads do not apply.

Any transaction costs are deducted from the underlying assets, and therefore deducted from the unit prices for each investment option.

Transaction costs in respect of all investment options are based on the explicit transaction costs incurred by the Fund and underlying investment vehicles over the year ended 30 June 2021.

The actual amount of transaction costs that you will incur in the current and subsequent financial year(s) depends on the investment option(s) you are invested in; the frequency, size and type of member transactions relating to your account and actual transaction costs incurred by NGS Super from year to year in relation to the option(s).

Transaction costs for each investment option are shown below.

**Table 3: Transaction costs**

	Investment option – <i>Accumulation and Transition to Retirement accounts</i>	Transaction costs p.a.
PRE-MIXED	Diversified (MySuper)	0.09%
	High Growth	0.09%
	Balanced	0.07%
	Defensive	0.06%
	Socially Responsible Diversified	0.14%
	Indexed Growth	0.02%
	Shares Plus	0.10%
SECTOR-SPECIFIC	Australian Shares	0.12%
	International Shares	0.10%
	Infrastructure	0.08%
	Property	0.12%
	Diversified Bonds	0.04%
	Cash and Term Deposits	0.00%

	Investment option – <i>Income account</i>	Transaction costs p.a.
PRE-MIXED	Moderate Growth	0.08%
	Diversified	0.09%
	High Growth	0.10%
	Balanced	0.07%
	Defensive	0.06%
	Socially Responsible Diversified	0.15%
	Indexed Growth	0.02%
	Retire Plus	0.09%
SECTOR-SPECIFIC	Shares Plus	0.12%
	Australian Shares	0.13%
	International Shares	0.10%
	Infrastructure	0.10%
	Property	0.13%
	Diversified Bonds	0.04%
Cash and Term Deposits	0.00%	

## ADDITIONAL EXPLANATION OF FEES AND COSTS (continued)

### Performance fees

Some of our investment managers may be entitled to receive performance fees (in addition to base fees) if they generate strong investment returns above an agreed benchmark. Where applicable, performance fees are paid on the percentage of the performance above the agreed benchmark and will result in higher investment fees and costs.

Performance fees are included in the **Investment fees and costs** set out in Table 2 (page 5), where applicable.

In summary, government regulations require that we disclose performance fees calculated on the basis of accrued performance fees averaged over the previous 5 financial years, except where an average over 5 years is not available.

Due to our merger with QIEC Super in May 2019, we have limited information on our investment option performance history. Therefore, our performance fees are averaged over the last 4 financial years to 30 June 2021. We expect to change this to a 5-year average following financial year end 2021/22. The average performance fees are shown in the tables below.

The amount of performance fees paid by the Fund in each year will rise and fall depending on the level of performance the relevant managers generate. The actual amount of performance fees that you will incur in the current and subsequent financial year(s) depends on the investment option(s) you are invested in; and the amount of performance fees accrued in relation to the investment option(s) from year to year.

**Table 4: Performance fees**

	Investment option – Accumulation and Transition to Retirement accounts	Performance fees p.a.		Investment option – Income account	Performance fees p.a.
PRE-MIXED	Diversified (MySuper)	0.07%	PRE-MIXED	Moderate Growth	0.06%
	High Growth	0.09%		Diversified	0.07%
	Balanced	0.06%		High Growth	0.09%
	Defensive	0.05%		Balanced	0.06%
	Socially Responsible Diversified	0.00%		Defensive	0.05%
	Indexed Growth	0.00%		Socially Responsible Diversified	0.00%
	Shares Plus	0.01%		Indexed Growth	0.00%
SECTOR-SPECIFIC	Australian Shares	0.03%	SECTOR-SPECIFIC	Retire Plus	0.10%
	International Shares	0.00%		Shares Plus	0.01%
	Infrastructure	0.33%		Australian Shares	0.03%
	Property	0.00%		International Shares	0.00%
	Diversified Bonds	0.01%		Infrastructure	0.33%
	Cash and Term Deposits	0.00%		Property	0.00%
				Diversified Bonds	0.01%
		Cash and Term Deposits	0.00%		

### 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. We 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 at [ngssuper.com.au/annualreport](https://ngssuper.com.au/annualreport)

### Tax

Any Reduced Input Tax Credits received by NGS Super following payment of investment management fees will be used to offset indirect costs, for the benefit of members. For more information about tax, see page 10 of this fact sheet.

### GST

Fees and costs shown include GST (unless stated otherwise) and stamp duty if they apply.

## ADDITIONAL EXPLANATION OF FEES AND COSTS (continued)

### Defined fees

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

#### Activity fee

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

- (a) the fee relates to costs incurred by the trustee, or the trustees, of a superannuation entity that are directly related to an activity of the trustee, or the trustees:
  - (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 administration fees and costs, investment fees and costs, transaction costs, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

#### Administration fees and costs

**Administration fees and costs** means the fees and costs that relate to the administration or operation of the superannuation entity to which the product relates and include:

- (a) costs that relate to that administration or operation debited from reserves that, in a period, exceed amounts credited to reserves in that period that are also administration fees and costs;
- (b) distribution costs;
- (c) indirect costs that relate to that administration or operation; and
- (d) intra-fund advice costs;

but do not include:

- (e) transaction costs and excluded transactional and operational costs; and
- (f) costs that are otherwise charged as investment fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

#### Advice fee

- (a) Is a fee that relates directly to costs (other than intra-fund advice costs) incurred by the trustee, or the trustees, of a superannuation entity because of the provision of financial product advice to a member by:
  - (i) a trustee of the entity; or
  - (ii) another person acting as an employee of, or under an arrangement with, a trustee or trustees of the entity;

where those costs are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a switching fee, an activity fee or an insurance fee.

#### Buy-sell spreads

- (a) A fee to recover costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the sale and purchase of assets of the entity;
- (b) (unless otherwise specified)—means an amount that is:
  - (i) deducted from the value of an investment that represents an apportionment, among investors, of the actual or estimated costs incurred in transactions by the investment; and
  - (ii) incurred by a superannuation trustee, responsible entity or operator of a notified foreign passport fund.

#### Exit fee

- (a) Is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.

#### Insurance fee

A fee is an insurance fee if:

- (a) the fee relates directly to either or both of the following:
  - (i) insurance premiums paid by the trustee, or the trustees, of a superannuation entity in relation to a member or members of the entity;
  - (ii) costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and
- (b) the fee does not relate to any part of a premium 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 premiums and costs to which the fee relates are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a switching fee, an activity fee or an advice fee.

#### Investment fees and costs

Means the fees and costs that relate to the investment of the assets of the superannuation entity to which the product relates 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 that relate to the investment of assets of the entity that are debited from reserves that, in a period, exceed amounts credited to reserves in that period that are also investment fees and costs;
- (c) indirect costs that relate to the investment of assets of the entity;

but do not include:

- (d) transaction costs and excluded transactional and operational costs; and
- (e) costs that are otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.



## ADDITIONAL EXPLANATION OF FEES AND COSTS *(continued)*

### Switching fees

- (a) for a MySuper product—means a fee to recover the costs of switching all or part of a member’s interest in a superannuation entity from one class of beneficial interest in the entity to another; or
- (b) for a superannuation product other than a MySuper product — means a fee to recover the costs of switching all or part of a member’s interest in the superannuation entity from one investment option or product in the entity to another.

- (f) transaction costs that are debited from reserves that, in a period, exceed amounts credited to reserves in that period that are also transaction costs;

but do not include:

- (a) excluded transactional and operational costs; and
- (b) performance fees; and
- (c) costs that are otherwise charged as administration fees and costs, investment fees and costs or management fees and costs.

### Transaction costs

**(1) Transaction costs** include any of the following:

- (a) brokerage;
- (b) buy-sell spread;
- (c) settlement costs (including custody costs);
- (d) clearing costs;
- (e) stamp duty on an investment transaction;

**(2) Excluded transactional and operational costs** means any of the following:

- (a) borrowing costs;
- (b) property operating costs;
- (c) unless the costs are certain indirect costs related to a derivative financial product that is an option to acquire or dispose of a financial product, implicit transaction costs or market impact costs

## Tax

Super can be a tax-effective way of saving for your retirement. Super is taxed in 3 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 your 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 <b>Tax for high income earners</b> on page 10).</li> </ul>	<p>You can contribute up to \$27,500 p.a. to your super.</p> <p>In addition, you may also be able to contribute any unused concessional contributions if eligible (see carry-forward note below).</p>
	<p><b>Excess contributions (above your cap)</b></p> <p>All excess contributions 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>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>

### Carry-forward any unused concessional contributions cap

You can carry-forward any unused amount of your concessional contributions cap on a rolling basis for 5 years. Amounts carried forward that have not been used after 5 years will expire. The first financial year in which you could carry forward an unused concessional contributions cap from the previous financial year was 2019/20.

You will only be able to take advantage of your unused concessional contributions cap if you are eligible to make concessional contributions and your total super balance at 30 June of the previous financial year was less than \$500,000.

You can view your unused concessional contributions cap available to carry forward through your Australian Taxation Office (ATO) linked account by logging into your mygov account at [my.gov.au](https://my.gov.au)

## Tax on contributions (continued)

Type of contribution	Tax rate	Details
<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 age, your total super balance<sup>8</sup> and your 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>The limit on after-tax contributions if your total super balance<sup>8</sup> is less than \$1.7 million at 30 June 2021 is:</p> <ul style="list-style-type: none"> <li>▪ \$110,000 per financial year or</li> <li>▪ \$330,000 over a 3-year period using the bring-forward rule if you are under age 67 (for one day during the financial year you trigger this rule) and eligible.</li> </ul> <p>Where your total super balance as at 30 June 2021 is \$1.7 million or more, you are unable to make non-concessional contributions to your super. An after-tax contribution received will be treated as an excess contribution.</p>
<b>Excess contributions (above your cap)</b>		
<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>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>8</sup> Your total super balance is generally the total value of your super interests in both accumulation phase and retirement phase at the end of the previous financial year, noting that:

- for accumulation phase, this is generally the withdrawal value at 30 June

- for retirement phase, this is the balance of your personal transfer balance cap which is managed by the ATO.

You can view your total super balance through your Australian Taxation Office (ATO) linked account by logging into your mygov account at [my.gov.au](https://my.gov.au)

<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](https://ngssuper.com.au/PDS) at [ngssuper.com.au/PDS](https://ngssuper.com.au/PDS)

## Tax on earnings and withdrawals from 1 July 2021

	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>Withdrawals</b>	<b>Withdrawals from your account</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>11</sup> but under age 60</b>			
	▪ tax-free component	Nil.	Nil.	Nil.
	▪ taxable component	Nil on the first \$225,000 <sup>10</sup> of the taxable portion of your benefit. The lower of: <ul style="list-style-type: none"> <li>▪ 15% (plus Medicare levy)</li> <li>▪ your marginal tax rate</li> </ul> on the taxable portion of your benefit over \$225,000. 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 \$225,000 <sup>10</sup> on your <b>lump sum</b> payments. 15% on lump sum payments in excess of \$225,000. <sup>10</sup>
	<b>Under preservation age<sup>11</sup></b>			
	▪ tax-free component	Nil.	Nil.	Nil.
	▪ taxable component	The lower of: <ul style="list-style-type: none"> <li>▪ 20% (plus Medicare levy)</li> <li>▪ your marginal tax rate.</li> </ul>	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>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).			

<sup>10</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>11</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](#) at [ngssuper.com.au/PDS](http://ngssuper.com.au/PDS)

## Tax on earnings and withdrawals from 1 July 2021

	Accumulation account — tax payable	Transition to retirement account — tax payable	Income account — tax payable	
Withdrawals	<b>Death benefits</b>			
	<b>Payment to a dependant</b> (as defined for tax purposes)	Nil.	If the death benefit is <b>paid as an income stream:</b> <ul style="list-style-type: none"> <li>▪ Nil if you are over age 60</li> <li>▪ Nil if your dependant is over age 60</li> <li>▪ If you and your dependant are under age 60:               <ul style="list-style-type: none"> <li>- Nil for tax-free component</li> <li>- Dependant's marginal tax rate with a 15% tax rebate on taxable component.</li> </ul> </li> </ul>	If the death benefit is <b>paid as an income stream:</b> <ul style="list-style-type: none"> <li>▪ Nil if you are over age 60</li> <li>▪ Nil if your dependant is over age 60</li> <li>▪ If you and your dependant are under age 60:               <ul style="list-style-type: none"> <li>- Nil for tax-free component</li> <li>- Dependant's marginal tax rate with a 15% tax rebate on taxable component.</li> </ul> </li> </ul>
			If the death benefit is paid as a <b>lump sum payment:</b> Nil	If the death benefit is paid as a <b>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>12</sup></b> (as defined for tax purposes).			
	<ul style="list-style-type: none"> <li>▪ tax-free component</li> <li>▪ taxable component</li> </ul>	Nil.  15% tax (plus Medicare levy). Tax <sup>13</sup> is deducted by NGS Super before the payment is made.	Nil.  15% tax (plus Medicare levy). Tax <sup>13</sup> is deducted by NGS Super before the payment is made.	Nil.  15% tax (plus Medicare levy). Tax <sup>13</sup> is deducted by NGS Super before the payment is made.

<sup>12</sup> Non-dependants for tax purposes generally include children over the age of 18 unless they remain financially dependent on the member.

<sup>13</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.

## 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 may 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 67-74, you will need to satisfy the work test<sup>14</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** at [ngssuper.com.au/forms](http://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>14</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. However, if your total super balance at the previous 30 June is less than \$300,000, you will be exempt from this work test for 12 months from the end of the financial year in which you last met the work test. This exemption applies once only.

During the financial year of work test exemption, you may also be eligible to access carried-forward unused concessional contribution cap space and the bring-forward rule for non-concessional contributions.

## 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 TFN to us, however, 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 go to **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 the **Providing your tax file number form** at [ngssuper.com.au/forms](https://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 limits the amount that you can transfer into an income account within the retirement phase of super.

The transfer balance cap applies to all super you have within income accounts and is assessed at the time of transfer into an *NGS Income account*. All individuals have their own personal transfer balance cap which is managed by the ATO. You can view your transfer balance cap through your Australian Taxation Office (ATO) linked account by logging into your mygov account at [my.gov.au](https://my.gov.au)

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 [ato.gov.au](https://ato.gov.au)

## More information?

### Contact us

You can contact us at [ngssuper.com.au/contact-us](https://ngssuper.com.au/contact-us) or call us on **1300 133 177** Monday to Friday, 8am–8pm (AEST/AEDT).

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
- through our **Customer Relationship Managers** who may be able to meet face-to-face, virtually or over the phone.

Further, we offer low-cost tailored advice through NGS Financial Planning. To make an appointment phone us on **1300 133 177** or complete the **Financial planning enquiry form** at [ngssuper.com.au/advice](https://ngssuper.com.au/advice)

### Important information

You should consider all the information contained in the **Product Disclosure Statement** dated 5 October 2021 and incorporated fact sheets before making a decision about investing in NGS Super. You can also view our **Target Market Determinations** at [ngssuper.com.au/TMD](https://ngssuper.com.au/TMD)

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.

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