

FEES, COSTS AND TAX

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

FACT SHEET 6

1 APRIL 2020

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 your **Member Online** account at ngssuper.com.au/MOL

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 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
- we don't pay commissions to financial planners.

As required by superannuation law, we apply fees 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 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
Investment fee¹	Varies according to your chosen investment option(s) and ranges between an estimated 0.05% – 1.10% p.a.	Deducted from investment earnings before the unit price is determined. It is not a direct charge to your account.
Administration fee¹	\$1.25 per week PLUS 0.10% p.a. of your account balance, capped at \$500 p.a. ²	Deducted from your account balance weekly. Deducted before the unit price is determined. It is not a direct charge to your account.
Buy-sell spread	Nil	N/A
Switching fee	Nil	N/A
Advice fees³ relating to all members investing in Diversified (MySuper) option	Nil	N/A
Other fees and costs⁴	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 in arrears, where applicable.
Indirect cost ratio¹	Varies according to your chosen investment option(s) and ranges between an estimated 0.00% – 0.18% p.a.	Deducted from investment earnings before the unit price is determined. It is not a direct charge to your account.
Refer to the <i>Additional explanation of fees and costs</i> on page 3 for further information about these costs.		
Activity fee		
Family law – Application for information (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.
Family law – Splitting a benefit	\$100	Split between both parties, deducted at the time of the split.
Contribution splitting	Nil	N/A
NGS Self-Managed Direct Investment Option (DIO) – trading fees		
Investment Gateway access fee 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 account</i> you hold which you then use to access the NGS Self-Managed DIO investments.
Brokerage fee 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.
Exchange traded fund fees This fee applies only to members who have exchange traded funds (ETFs) in NGS Self-Managed DIO.	A percentage fee ranging from 0.04% – 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.
Manual transaction fee	\$25 plus GST	Calculated when a manual transaction occurs and deducted from your cash hub.

¹ If your account balance in the *Accumulation*, *Transition to Retirement* or *Income account* is less than \$6,000 at the end of our income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

² 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.

³ Personal tailored 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.

⁴ Insurance fees may apply. Refer to the the [Insurance Guide](#) available at ngssuper.com.au/PDS for more information.

ADDITIONAL EXPLANATION OF FEES AND COSTS

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, 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 an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

Administration fees

An **administration fee** is a fee that relates to the administration or operation of a superannuation entity and includes costs incurred by the trustee, or the trustees, of the entity 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 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, 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; and
- (b) those costs are not otherwise charged as an administration fee, an investment fee, a switching 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 NGS Super account.

Buy-sell spreads

A **buy-sell spread** is a fee to recover transaction costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the sale and purchase of assets of the entity.

Indirect costs

The **indirect cost** of a MySuper option or an investment option offered by a superannuation entity means any amount that:

- (a) a trustee of the entity knows, or reasonably ought to know, will directly or indirectly reduce the return on the investment of a member of the entity in the MySuper option or investment option; and
- (b) is not charged to the member as a fee.

Indirect cost ratio

The **indirect cost ratio (ICR)**, for a MySuper option or a choice investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper option or investment option, to the total average net assets of the superannuation entity attributed to the MySuper option or investment option.

Note: A fee deducted directly from a member's account is not included in the indirect cost ratio.

Insurance fees

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 an administration fee, an investment fee, a switching 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 ngssuper.com.au/PDS

Switching fees

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

ADDITIONAL EXPLANATION OF FEES AND COSTS (continued)

Investment fees

An **investment fee** is a fee that relates to the investment of the assets of a superannuation entity 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, or the trustees, of the entity that:
 - (i) relate to the investment of assets of the entity; and
 - (ii) are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Investment management fee

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 are an estimate and include costs that are payable to investment managers, asset consultants and the custodian.

Performance fees

Performance fees are paid to some investment managers when their performance exceeds agreed objectives. Some investment managers charge a base fee (management fee) plus a performance fee which varies depending on the return achieved by the manager according to a specific benchmark. The performance fee the investment managers may receive vary from year to year. As these performance fees are included in the investment fee it will result in the investment fee increasing or decreasing from time to time. Performance fees are not an additional fee and do not affect the administration fee. The estimated performance fees are shown in the following tables.

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.

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.

ADDITIONAL EXPLANATION OF FEES AND COSTS *(continued)*

Investment fees and Indirect costs

The following tables provide further information on the breakdown of the

- investment fees, and
- indirect costs

for the MySuper option and each investment option. This is an estimate of these fees and costs for 2019/20.

Investment option – <i>Accumulation and Transition to Retirement accounts</i>	Investment fees			Indirect costs ⁵	Property operating costs (not included in total)	Borrowing costs (not included in total)
	Management fees	Performance fees ⁵	Total investment fees	Total indirect costs ⁶		
PRE-MIXED						
Diversified (MySuper)	0.52%	0.04%	0.56%	0.13%	0.12%	0.05%
High Growth	0.55%	0.07%	0.62%	0.13%	0.07%	0.03%
Balanced	0.43%	0.03%	0.46%	0.12%	0.13%	0.05%
Defensive	0.43%	0.03%	0.46%	0.10%	0.21%	0.08%
Socially Responsible Diversified	0.52%	0.04%	0.56%	0.13%	0.11%	0.04%
Indexed Growth	0.07%	0.00%	0.07%	0.00%	0.00%	0.00%
Shares Plus	0.50%	0.01%	0.51%	0.13%	0.00%	0.00%
SECTOR-SPECIFIC						
Australian Shares	0.39%	0.01%	0.40%	0.14%	0.00%	0.00%
International Shares	0.50%	0.00%	0.50%	0.11%	0.00%	0.00%
Infrastructure	0.50%	0.21%	0.71%	0.12%	0.00%	0.00%
Property	0.51%	0.00%	0.51%	0.18%	1.14%	0.41%
Diversified Bonds	0.35%	0.00%	0.35%	0.13%	0.00%	0.01%
Cash and Term Deposits	0.05%	0.00%	0.05%	0.00%	0.00%	0.00%

Investment option – <i>Income account</i>	Investment fees			Indirect costs ⁵	Property operating costs (not included in total)	Borrowing costs (not included in total)
	Management fees	Performance fees ⁵	Total investment fees	Total indirect costs ⁶		
PRE-MIXED						
Moderate Growth	0.47%	0.03%	0.50%	0.14%	0.12%	0.05%
Diversified	0.54%	0.04%	0.58%	0.14%	0.12%	0.05%
High Growth	0.60%	0.07%	0.67%	0.15%	0.07%	0.03%
Balanced	0.44%	0.03%	0.47%	0.12%	0.13%	0.05%
Defensive	0.43%	0.03%	0.46%	0.11%	0.21%	0.08%
Socially Responsible Diversified	0.50%	0.04%	0.54%	0.15%	0.11%	0.04%
Indexed Growth	0.07%	0.00%	0.07%	0.00%	0.00%	0.00%
Retire Plus	0.49%	0.06%	0.55%	0.14%	0.29%	0.11%
Shares Plus	0.55%	0.01%	0.56%	0.14%	0.00%	0.00%
SECTOR-SPECIFIC						
Australian Shares	0.49%	0.00%	0.49%	0.18%	0.00%	0.00%
International Shares	0.51%	0.00%	0.51%	0.11%	0.00%	0.00%
Infrastructure	0.89%	0.21%	1.10%	0.12%	0.00%	0.00%
Property	0.53%	0.00%	0.53%	0.18%	1.14%	0.41%
Diversified Bonds	0.38%	0.00%	0.38%	0.13%	0.00%	0.01%
Cash and Term Deposits	0.05%	0.00%	0.05%	0.00%	0.00%	0.00%

⁵ The performance fees and indirect costs are estimates for 2019/20 based on 2018/19 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

⁶ There may be a slight variance in the totals due to rounding.

Example of annual fees and costs

The following two tables give examples of how the fees and costs for:

- the *Accumulation and Transition to Retirement accounts* Diversified (MySuper) 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 our MySuper option with other MySuper options and our Moderate Growth investment option with other retirement income options.

EXAMPLE – Diversified (MySuper) option		Balance of \$50,000
Investment fees ⁷	0.56% p.a.	For every \$50,000 you have in the Diversified (MySuper) option, you will be charged \$280 each year.
PLUS Administration fees	\$65 (\$1.25 per week) PLUS 0.10% p.a. of your account balance, capped at \$500 p.a.	And , you will be charged \$65 in administration fees regardless of your balance. PLUS \$50 each year.
PLUS Indirect costs ⁷ for the Diversified (MySuper) option	0.13% p.a.	And , indirect costs of \$65 each year will be deducted from your investment.
EQUALS Cost of Diversified (MySuper) option		If your balance was \$50,000, then for that year you will be charged fees of \$460 for the Diversified (MySuper) option.

Note: Additional fees may apply. See this fact sheet for more information. 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

EXAMPLE – Moderate Growth option		Balance of \$50,000
Investment fees ⁷	0.50% p.a.	For every \$50,000 you have in the Moderate Growth option, you will be charged \$250 each year.
PLUS Administration fees	\$65 (\$1.25 per week) PLUS 0.10% p.a. of your account balance, capped at \$500 p.a.	And , you will be charged \$65 in administration fees regardless of your balance. PLUS \$50 each year.
PLUS Indirect costs ⁷ for the Moderate Growth investment option	0.14% p.a.	And , indirect costs of \$70 each year will be deducted from your investment.
EQUALS Cost of Moderate Growth option		If your balance was \$50,000, then for that year you will be charged fees of \$435 for the Moderate Growth option.

Note: Additional fees may apply. See this fact sheet for more information.

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 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 8 of this fact sheet.

GST

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

⁷ Investment fees and indirect costs shown in these examples are estimated fees for the 2019/20 financial year – actual fees will vary from year to year and will be shown in that year's Annual Report.

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
Before-tax (concessional)		
<p>These include:</p> <ul style="list-style-type: none"> ▪ employer contributions; ▪ salary sacrifice contributions; ▪ any personal contributions for which you claim a tax deduction. <p>Your age and your meeting the work test, may impact your ability to make concessional contributions. See our fact sheet Opportunities and limits for super contributions for more details.</p>	<ul style="list-style-type: none"> ▪ 15% if you earn less than \$250,000 or ▪ 30% if you earn more than \$250,000 (see Tax for high income earners on page 10). <p>Excess contributions (above your cap)</p> <p>All excess contributions will include an interest charge and will be:</p> <ul style="list-style-type: none"> ▪ included as taxable income, and ▪ taxed at your personal tax rate less a 15% tax offset. 	<p>You can contribute up to \$25,000 to your super from your before-tax income.</p> <p>You may 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"> ▪ to withdraw up to 85% of your excess contributions from your account or ▪ leave it in your super account and it will count towards your after-tax contributions cap.

Carry-forward any unused concessional contributions cap

From 1 July 2018, you can carry-forward any unused amount of your concessional contributions cap if you:

- have a Total Superannuation Balance of less than \$500,000 on 30 June of the previous financial year, and
- are eligible to make concessional contributions.

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.

After-tax (non-concessional)		
<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 Balance⁸, your age and your meeting the work test, may impact your ability to make after-tax contributions. A Downsizer contribution⁹ is the exception, and if eligible, is not included in the cap.</p>	<p>Nil up to your cap</p>	<p>The annual cap is:</p> <ul style="list-style-type: none"> ▪ \$100,000 p.a. provided your Total Super Balance⁸ is less than \$1.6m, or ▪ \$300,000 over a three-year period using the bring-forward rule if you are under age 65 and eligible, or ▪ Nil where your Total Super Balance⁸ as at 30 June the previous year is greater than \$1.6m. An after-tax contribution received will be treated as an excess contribution.
	<p>Excess contributions (above your cap)</p> <p>If withdrawn from super:</p> <ul style="list-style-type: none"> ▪ no additional tax on the contribution; and ▪ 85% of the associated earnings will also be withdrawn and taxed at your personal rate of tax less a 15% tax offset. <p>If left in super</p> <ul style="list-style-type: none"> ▪ taxed at 47% (including medicare levy). 	<p>If you exceed the limit you can choose:</p> <ul style="list-style-type: none"> ▪ to withdraw from super or ▪ leave it in your super account.

⁸ 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.

⁹ 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 ngssuper.com.au/PDS

Tax on earnings and withdrawals from 1 July 2019

	Accumulation account (tax payable)	Transition to Retirement account (tax payable)	Income account (tax payable)	
Earnings	Investment earnings			
	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
	Withdrawals from your account			
	If you are over age 60			
	▪ tax-free component	Nil	Nil	Nil
	▪ taxable component	Nil	Nil	Nil
	If you are over the preservation age¹¹ but under age 60			
	▪ tax-free component	Nil	Nil	Nil
	▪ taxable component	Nil on the first \$210,000 ¹⁰ of the taxable portion of your benefit The lower of: <ul style="list-style-type: none"> ▪ 15% (plus Medicare levy) ▪ your marginal tax rate on the taxable portion of your benefit over \$210,000. 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 income payment with a 15% tax offset Nil up to \$210,000 ¹⁰ on your lump sum payments 15% on lump sum payments in excess of \$210,000 ¹⁰
	Under preservation age¹¹			
▪ tax-free component	Nil	Nil	Nil	
▪ taxable component	The lower of: <ul style="list-style-type: none"> ▪ 20% (plus Medicare levy) ▪ your marginal tax rate 	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).	
First home super saver payments These are payments made to eligible members as determined by the ATO. See our Information sheet First home super saver scheme .		Not applicable	Not applicable	
▪ tax-free component	Nil			
▪ taxable component	Your marginal tax rate with a 30% tax offset			
Withdrawals	Departing Australia Super Payments (DASP) 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)		
	Death benefits			
	Payment to a dependant (as defined for tax purposes)	Nil	If the death benefit is paid as an income stream: <ul style="list-style-type: none"> ▪ Nil if you are over age 60 ▪ Nil if your dependant is over age 60 ▪ If you and your dependant are under age 60: <ul style="list-style-type: none"> - Nil for tax-free component - Dependant's marginal tax rate with a 15% tax rebate on taxable component 	If the death benefit is paid as an income stream: <ul style="list-style-type: none"> ▪ Nil if you are over age 60 ▪ Nil if your dependant is over age 60 ▪ If you and your dependant are under age 60: <ul style="list-style-type: none"> - Nil for tax-free component - Dependant's marginal tax rate with a 15% tax rebate on taxable component
			If the death benefit is paid as a lump sum payment: Nil	If the death benefit is paid as a lump sum payment: Nil
	Payment to an estate	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.
	Payment to a non-dependant¹² (as defined for tax purposes).	Nil	Nil	Nil
			15% tax (plus Medicare levy) Tax ¹³ is deducted by NGS Super before the payment is made.	15% tax (plus Medicare levy) Tax ¹³ is deducted by NGS Super before the payment is made.

¹⁰ This amount is subject to indexation. The low rate cap amount shown is reduced by any amount previously applied to the low rate threshold.

¹¹ 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 ngssuper.com.au/PDS

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

¹³ 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 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 test¹⁴ 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 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.

¹⁴ 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 NGS, 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 a **Providing your tax file number form** available on our website at ngssuper.com.au/forms and post it to us.

The Transfer Balance Cap

A transfer balance cap (currently \$1.6m) 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 *income account*.

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

More information?

Contact us

You can contact us at 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

ngssuper.com.au
1300 133 177

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 tailored 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 ngssuper.com.au/financial-planning

Important information

You should consider all the information contained in the **Product Disclosure Statement** dated 1 April 2020 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.