

# SUPER EASY<sup>+</sup> SUPER

INFORMATION SHEET

JUNE 2017

## 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 *Opportunities and limits for super contributions* fact sheet on our website at [www.ngssuper.com.au/PDS](http://www.ngssuper.com.au/PDS).

### 2. When can you get your super?

**Between ages 56<sup>1</sup> and 59** you can access

- 4-10% of your super each year as a transition to retirement pension, 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

- all or part of your super as for ages 56<sup>1</sup>-59, and
- 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. See our website for more information.

<sup>1</sup> If you were born between 1 July 1961 and 30 June 1962, your preservation age will be 57.

## 3. The taxman and super

Super offers tax advantages. Your Super Guarantee and any before-tax (or salary sacrifice) contributions you make to super are taxed at just 15%<sup>2</sup>, compared with up to 47% outside super (excluding 2% temporary budget repair levy<sup>3</sup>). Investment earnings on your super account are also taxed at a maximum of just 15% and if you have an *Income account* (Pension), investment earnings are tax-free. Please note that from 1 July 2017 investment earnings on a *Transition to retirement account* will no longer be tax free. If you put after-tax money into super, you don't pay any tax on it. From age 60, you will generally not pay any tax on the withdrawals you make from super.

For more information on tax and your super, refer to the *Fees, costs and tax* fact sheet on our website at [www.ngssuper.com.au/PDS](http://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. Members pay a weekly administration fee of just \$1.25, an asset-based fee of just 0.1% pa of their account balance and an investment cost depending on their investment choice.

For more information on fees and costs, refer to the *Fees, costs and tax* fact sheet on our website at [www.ngssuper.com.au/PDS](http://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](http://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. We think a single person would need approximately \$43,538<sup>4</sup> a year, and a couple \$59,808<sup>4</sup> a year, for a comfortable retirement.

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](http://www.ngssuper.com.au/ngs-calculators).

## 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;
- 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 please see the following fact sheets available at [www.ngssuper.com.au/PDS](http://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), disability and income protection through the Fund. 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](http://www.ngssuper.com.au/PDS).

<sup>2</sup> 30% if your 'combined income' is more than \$300,000 (\$250,000 pa from 1 July 2017).

'Combined income' includes before-tax contributions and reportable fringe benefits.

<sup>3</sup> The Temporary Budget Repair Levy will be removed for 2017/2018 financial year.

<sup>4</sup> ASFA Retirement Standard, December 2016.

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## 9. Need more information?

Our website, [www.ngssuper.com.au](http://www.ngssuper.com.au) is your one-stop information spot for everything you need to know about the Fund 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.

Today Australians have over 2 trillion dollars invested through superannuation. Until the superannuation guarantee laws came into effect in 1992, only a minority of us could save for our retirement through superannuation.

When the government introduced the Superannuation Guarantee (SG), it also created rules to protect everyone's super savings. Superannuation is now a highly regulated industry. It's also designed to offer tax benefits to encourage us to save.

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*.

**We're here to help you, so contact us at any time.**

## 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?

### How to contact us

Contact our Customer Service Team by mail, phone, fax or email. We're here to help you.

**NGS Super**  
**GPO Box 4303**  
**Melbourne VIC 3001**

**Phone:** 1300 133 177  
**Phone number for callers outside Australia:** +61 3 8687 1818  
**Facsimile:** (03) 8640 0813  
**Online:** [www.ngssuper.com.au](http://www.ngssuper.com.au)  
**You can contact us directly via the Contact Us page**  
[www.ngssuper.com.au/contact-us](http://www.ngssuper.com.au/contact-us)

### 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](http://www.ngssuper.com.au)  
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