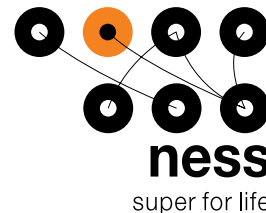


NESS Super Employer Newsletter

The purpose of this regular newsletter is to keep employers in the electrotechnology industry informed about your Fund and what's happening in superannuation.



Autumn 2013

NESS SUPER SECURES MYSUPER APPROVAL!

NESS Super is pleased to announce that in April 2013, it received authorisation to offer a "MySuper" product from the regulator, the Australian Prudential Regulation Authority (APRA).

"We are delighted to have received our authorisation, having worked very closely with APRA right throughout the application process", said Angie Mastroppolito, Fund Secretary and CEO of NESS Super.

"It's a significant achievement for an industry-specific, specialist fund like NESS Super, where personalised services are key factors to the retention and growth of members and employers in the electrical and communications industry. It's certainly not just about size." said Anthony Glossop, Chairman of the NESS Super Board.

NESS Super will be offering "NESS MySuper" from 1 July 2013 and will reflect the current low-cost Balanced investment option used by NESS Super as the Trustee nominated default. The Balanced option has a mix of growth and defensive assets, a proven track record of solid performance and excellent performance of late. It's a natural fit for the NESS MySuper offering.

Default insurance will be differentiator for NESS MySuper, which will offer Death, Total & Permanent Disablement (TPD) and Temporary Salary Continuance (TSC) as default insurance cover. Spouse Account members with NESS Super will also benefit from upgraded insurance, receiving Death and TPD default insurance cover.

NESS Super wrote to members in March 2013 informing them of the upcoming changes to their account as a result of MySuper and is currently in the process of re-branding and building a new website, with a fresh new-look being released shortly.

According to Stronger Super legislation, only super funds that offer a simple-low cost default product can be approved for MySuper authorisation.

In addition, from 1 January 2014, employers will be required to pay default super contributions on behalf of employees (including SG contributions), to a MySuper fund. As NESS Super is now a MySuper fund, employers can continue to pay SG contributions into NESS Super from 1 January 2014.

AN END OF FINANCIAL YEAR REMINDER!

With the end of the financial year just around the corner (and also the start of the new financial year), we'd like to take a moment to remind employers of the key items to note at this time of the year, as well as some of the upcoming changes to super.

- If you're looking to **pay the Superannuation Guarantee (SG) contributions** (as well as any other employer contributions) **and claim a business tax deduction in this financial year**, the contribution payment must be **received by NESS Super by 28 June 2013** (as 30 June 2013 falls on a Sunday).
- The SG minimum contribution rate will **increase to 9.25% from 1 July 2013**. This will gradually increase to 12% by 1 July 2019.
- **Removal of the upper age limit (currently 70)** for Superannuation Guarantee contributions, **from 1 July 2013**. This means that there will be no upper age limit for SG contributions.
- **Payslip reporting by employers of superannuation contributions**. This Government announcement, which was originally due to come into effect on 1 July 2012, has been proposed to come into effect from **1 July 2013**. It is expected that employers will need to report actual contributions paid and the expected payment date, on behalf of employees. We will provide further details once the commencement date is confirmed.



To find out more about MySuper, please contact Mynas Leontios, NESS Super's service representative, on 0448 432 443 or by email to mynasl@neca.asn.au

At NESS Super, we're here to help...





NESS SUPER BENEFITS FOR EMPLOYERS

- ☑ NESS Super makes it easy and convenient for you to administer your employees' super. We help you to meet all your company's compulsory Superannuation Guarantee and award obligations, including the upcoming requirements to pay default super contributions to a super fund authorised to offer a "MySuper" product, from 1 January 2014.
- ☑ We accept personal and salary sacrifice contributions.
- ☑ EmployerAccess allows you to contribute electronically (online), making the monthly process of providing member data and making payments simple.
- ☑ NESS Super has added value benefits for members such as personalised financial advice services, discounted banking products and corporate health plan membership.
- ☑ We offer personal, onsite service at your workplace. Our friendly and experienced service centre staff are available to assist you and your employees with your enquiries.

At NESS Super, we're here to help...

Is your **email address** with NESS Super up to date?

By providing NESS Super with your business email address, you'll be able to stay in touch and receive communication electronically, including future editions of the NESS Super Employer Newsletter.

So, if your email address has changed or you haven't updated it recently, please contact us on 1800 022 067 and provide us with your current email address.



FEDERAL BUDGET UPDATE – SUPER CAPS

The concessional contributions cap (which includes SG, Salary Sacrifice and other employer contributions) in the current financial year, is \$25,000 for everyone, regardless of age. It's important to avoid exceeding this super cap and avoid attracting the penalty tax of an additional 31.5%.

The Government announced in April 2013 (and confirmed in the recent Federal Budget) that the concessional contributions cap will increase to \$35,000 from 1 July 2013 if you are aged 60 or more and from 1 July 2014 if you are aged 50 or more. In addition, from 1 July 2013, excess concessional contributions will be taxed at an individual's marginal tax rate, plus an interest charge, rather than the top marginal rate. The Government will also allow individuals to withdraw any excess contributions.

We will provide confirmation and further information on this announcement as it becomes relevant.

THE IMPORTANCE OF PROVIDING TAX FILE NUMBERS TO SUPER FUNDS

We recently received an enquiry from an employer who wanted to know what were the implications around the payment of super contributions (including Super Guarantee and member after-tax contributions), where an employee has not provided their tax file number (TFN) to their employer or to the super fund. Given the relevance of this situation to other employers and the importance of providing TFNs to super funds, here is a brief outline of the requirements.

Super Guarantee (SG), additional employer and salary sacrifice contributions

The Trustee of a super fund will generally make its own determination as to what they do with the SG, additional employer and salary sacrifice contributions, where no TFN is on record or provided by the employer on behalf of the employee. This means that depending on the super fund, it may not accept and return the contributions or accept the contributions and levy the applicable no-TFN contributions tax (**an additional 31.5% to the 15% contributions tax**). There is no requirement for a super fund to return the contributions.

Member after-tax contributions

If a super fund does not have a member's TFN on record, a member has 30 days from the date of the member after-tax contribution to supply their TFN to the super fund, otherwise the **super fund must return the member after-tax contribution**.

NESS Super has determined to accept SG, additional employer and salary sacrifice contributions from an employer who makes a super payment for an employee who has not provided their TFN. In general, the key reasons for this (particularly if NESS Super is the default/employer nominated fund) are:

- It is not compulsory for an employee to provide a TFN to a super fund or an employer. However, if the employee quotes their TFN to the employer, then unless the employee specifically requests for it not to be passed on, the employer must pass it on to the super fund and
- SG contribution eligibility is not subject to a TFN being provided or held by the super fund.

The implications for NESS Super members for not having received a valid TFN are that the SG, additional employer and salary sacrifice contributions will be taxed at the higher rate (an additional 31.5% to the 15% contributions tax) and any member after-tax contributions will be returned.

Please contact us to find out more about the TFN requirements.

RECENT ATO CORRESPONDENCE TO EMPLOYERS REGARDING SUPERSTREAM...

The Australian Tax Office (ATO) has commenced mailing to employers, information on the upcoming SuperStream Government Reform requirements. This initiative is designed to make the superannuation system more efficient and encourage all employers to pay superannuation and send contribution information, electronically.

NESS Super is aware of the ATO communication and will be providing further information on our solution for employers (which includes the launch of the Super Clearing House facility, currently in the employer pilot stage) in the next Employer Newsletter edition, Winter 2013.



In the meantime, should you have any questions regarding SuperStream, please don't hesitate to contact Mynas Leontios, NESS Super's service representative, on 0448 432 443 or by email at mynasl@neca.asn.au

At NESS Super, we're here to help...

NESS Super eStatements – IPAD MINI PROMOTION WINNERS

NESS Super recently ran an eStatement registration promotion for members and had a great response to the promotion. Members who registered to receive eStatements by 8 March 2013 went into a draw to win one of three iPad minis. The winners of the eStatement registration promotion campaign were:

- Chad Grimwood
- Paul Elmer
- Jake Peters

Congratulations to each of our winners, who have received and are enjoying their prizes.



Chad Grimwood



Paul Elmer



Jake Peters

NESS Super eStatements is a convenient way for way for members to receive their member statements online and keep up-to-date with news and events electronically through our online member website called MemberAccess. They also cut down on paper usage, which helps the environment.

Please ask your employees to contact us for more information about NESS Super eStatements.

Contact us if you want to know more about any of the topics in this newsletter

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***Disclaimer** The information contained in this newsletter is up-to-date at the time of its publication. However, some information can change over time. The contents are for general information only and do not constitute personal advice. We recommend that you consult with a suitable qualified person before making any financial decisions.*

New South Wales Electrical Superannuation Scheme trading as NESS Super