


SuperUpdate | SPRING13

 **NESS Super**, the industry fund to power your financial future

highlights

It's been a big year in super, and a big year for NESS Super:

We have a new look, as you might have noticed! **Page 1**

Our user-friendly new website is about to go live **Page 2**

Our MySuper option is approved and running! **Page 2**

Our Balanced option had a return of 16.07%, which is well above the industry average **Page 3**

A fresh new look for NESS Super

New name

Earlier in the year we changed our name from 'New South Wales Electrical Superannuation Scheme' or 'NESS' to 'NESS Super'.

We've come a long way over the past decade. Our new name, NESS Super, reflects our current status, while still paying tribute to our past. It also puts the focus back on super, which is what we're all about.

New branding

In addition to changing our name, we felt it was time to update the fund's branding. Working with some very helpful members who provided suggestions and feedback, we designed a new logo, tagline and 'look and feel' for NESS Super material. We're launching the new branding with this mail-out.

Our new high-energy logo uses cabling as a graphic theme. It is supported by a new tagline, **Powering your financial future**. Our new tagline captures our purpose: to work hard to provide people in the electrotechnology industry with a strong financial future.

Our new colours and graphics will flow through to everything we publish. And because members are at the heart of everything we do, we'll also be using photos of NESS Super members in future publications (with their consent).

We hope you like our new branding and feel it reflects your fund and your industry.

Our new branding captures who we are today. It's contemporary, energetic and member-focussed.

Our commitment to you

We've changed our branding, but something we won't be changing is our focus on providing you with simple, yet comprehensive, super.

As a fund that exists solely to serve the electrotechnology industry, we focus on providing the greatest possible value to our members. We do this by offering strong investment returns and affordable insurance, while keeping fees low.

And most importantly, we don't spend your money on unnecessary advertising or sponsorships.



At NESS Super, we're here to help you at every stage in life

My name is Mynas Leontios. I'm the NESS Super Member and Employer Service Representative. I'm here to help you with any enquiries about your NESS Super membership.

You can contact me on **0448 432 443** or email me at mynasl@neca.asn.au.

Manage your super online

If you're looking for information to help you manage your super, our new website is a great place to start.

Our website, nesssuper.com.au, has been completely revamped to make it more informative and easier to navigate. It even works via smart phone or tablet.

We've kept everything that made the website useful, but added loads of new information to help you make the most of your super. There are separate sections for super members, pension members and employers.


If you've registered for online access, you can keep using your current username and password. If you haven't yet registered, you can do so on the website using your NESS Super account number.

 If you have any feedback about the new website – such as suggestions for new content – we're eager to hear from you. Please contact our Member and Employer Service Representative, Mynas Leontios, on **0448 432 443** or via email at mynasl@neca.asn.au.

When your life changes, your super should too...

Our new website guides you through the things you need to think about if you are:

- Starting work for the first time
- Changing jobs
- Becoming a parent or becoming financially responsible for someone else
- Getting married
- Buying a house
- Getting divorced
- Sick or injured
- Preparing to retire.


 Visit the super members section of nesssuper.com.au for more information.

Once registered, you can visit the site to:

- Check your account balance, which includes recent investment returns
- View your contribution history
- Update your personal details
- Switch investment options
- Apply to change your insurance
- Update your nominated beneficiaries, and
- Register to receive statements and newsletters via email.



Have you registered for eStatements yet?

 You can now opt to receive your NESS Super statements and communications online.

Registering for this service has the following benefits:

- It helps keep costs low, which benefits members
- It helps the environment – mailing thousands of statements uses a lot of paper and fossil fuel!
- It makes it easier for you to locate your statements at any time of day or night – just log into NESS Super MemberAccess and you'll be able to access them.

Registering for eStatements is easy. Simply go to the NESS Super website, www.nesssuper.com.au, click on the MemberAccess link and follow the prompts. It's that easy! (Alternatively, you can register for eStatements by calling us on **1800 022 067**.)

We're 'MySuper' approved, with even better insurance!

NESS Super is now authorised to offer a 'MySuper' product. As one of the first funds to offer a complying MySuper product, we worked very closely with the regulator, the Australian Prudential Regulation Authority (APRA), while developing it.

NESS MySuper commenced on 1 July 2013 and reflects the current low-cost Balanced investment option used by NESS Super as the Trustee-nominated default. The Balanced option had a mix of growth and defensive assets and a track record of solid performance*. It was a natural fit for the NESS MySuper offering.

As part of introducing NESS MySuper, we conducted a review of our insurance offering. Since 1 July 2013, our default insurance offering includes cover for Total & Permanent Disablement. Spouse Account members have also received an upgrade, now receiving default cover for Death and Total & Permanent Disablement.

*Past performance is not a reliable indicator of future performance.



From 1 January 2014, employers will be required to pay employees' default or 'non-chosen fund' super contributions (including Super Guarantee contributions), into a MySuper fund. As NESS Super is now a MySuper fund, you can feel comfortable that your employer can continue to pay Super Guarantee contributions into NESS Super.

Super in the NEWS

There's a lot happening in super, and most of the changes will help you save more for retirement.

Increased employer contributions

On 1 July 2013, employer contributions payable under the Superannuation Guarantee (SG) increased from 9.00% to 9.25% of Ordinary Time Earnings (up to the maximum earnings base of \$48,040 per quarter for 2013/14.)

Based on current legislation, between now and 2019 the SG rate will gradually increase until it reaches 12.00%.

Need to know

- As a result of the SG increases, most of us will have more super when we retire. And the younger you are, the more you stand to benefit.
- If you also make pre-tax ('salary sacrifice') contributions to your super, you need to check the SG increase won't push you over the annual concessional contributions cap and incur excess tax. (Both employer and salary sacrifice contributions count towards the concessional contributions cap.) The cap is currently set at \$25,000 per year, but has been raised for older workers (see right).

Bonuses for low-income earners

If you earn \$37,000 or less, you stand to benefit from the Government's new Low Income Super Contribution (LISC) payment. The payment, which is made to your super automatically once your tax return has been processed, represents a refund of the 15% tax that applies to concessional superannuation contributions. The maximum payment is \$500 in a financial year.

If you earn less than \$48,516 and make voluntary contributions to your super from your after-tax income, you may be eligible for a Government co-contribution of up to \$500 this financial year. A work test applies, but if there's any chance you might qualify it's worth investigating.

You can find out more by visiting the Australian Taxation Office's website at www.ato.gov.au/super.

Good news for older workers

On 1 July 2013, the Superannuation Guarantee was extended to workers aged 70 and over.

The Government is also making it easier for workers aged 50 and over to boost their super via salary sacrifice. This financial year (2013/14), workers aged 60 and over can take advantage of a higher concessional contributions cap of \$35,000. (The general concessional contributions cap is \$25,000 per financial year.) From 1 July 2014, the higher cap will apply to workers aged 50 and over.

Need to know

- From 1 July 2013, if you are 60 or older you can contribute up to \$35,000 per year in concessional contributions. (For everyone else it's \$25,000 per year.)
- From 1 July 2014, if you are 50 or older you can contribute up to \$35,000 per year in concessional contributions. (For everyone else it will continue to be \$25,000 per year.)

Exceeded the cap?

Until the start of the 2013/14 financial year, excess concessional contributions were taxed at 46.5%.

Now, excess contributions will be deemed to be part of your taxable income and taxed at your marginal tax rate, less a 15% offset for contributions tax already paid.

You can also apply to withdraw excess contributions from your super so long as:

- You made the contributions in 2011/12 or later
- It was the first time you exceeded the cap
- The excess contributions total less than \$10,000.

Any contributions you withdraw will be treated as normal income and taxed at your marginal income tax rate, plus interest.



Left something behind?

If you've changed job, moved house or changed your name, you could have 'lost' some of your super.

- Call us on 1800 022 067 and authorise NESS Super to check for lost super on your behalf, or
- Check for 'lost' super by calling the ATO on 132 865 or visiting www.ato.gov.au/superseeker. You'll be asked for your name, date of birth and Tax File Number.

If you find some super, consider rolling it into NESS Super. A benefit of keeping all your super in the one account is that you save on fees.

Investment update

It has been a great year for NESS Super's investments. The Balanced Option (renamed 'NESS MySuper' from 1 July 2013) achieved a return of 16.07%, which is well above average for similar Australian super funds.



NESS Super crediting rates to 30 June 2013 (net of fees and taxes)

Cash	3.44%
Stable	9.32%
Balanced ('NESS MySuper' from 1/7/13)	16.07%
Property	14.34%
High Growth	21.39%
Australian Shares	22.57%
Overseas Shares	28.27%

NESS Pension crediting rates to 30 June 2013 (net of fees and taxes)

Cash	3.92%
Conservative	9.71%
Cautious	14.17%
Moderate	18.49%
Assertive	20.86%
Aggressive	24.22%

To learn more about our investment performance, see our 2013 Annual Report available from www.nesssuper.com.au.

Disclaimer:

The performance of the investment options is not guaranteed. The value will vary as it is based on the performance of the assets underlying each investment option. Past performance is not a reliable indicator of future performance.

NESS Pension update

If you have a NESS Pension – or are considering one – make sure you stay up-to-date with pension-related news.

Which type of NESS Pension would suit you?

NESS Super offers two pension options:

1 The Transition to Retirement Pension (TRP), which enables members who are still working – even casually – to access their super. Some people find it tax-effective to draw a pension from a TRP while continuing to grow their super via employer and salary-sacrificed contributions. However, once you've opened a NESS Super pension account – of either variety – you cannot make contributions to that account.

When you retire, your TRP will be converted to an Account Based Pension.

2 The Account Based Pension (ABP) provides retired members with a regular and flexible income and the opportunity to withdraw lump sums when the need arises. With an ABP, you don't have to worry about investing and managing your super yourself.

Both types of pension offer a range of great features but, as always, we recommend you seek independent financial advice before making any decisions about your super.

A NESS Pension offers:

- A regular income, with payments to your nominated bank account made either monthly, quarterly, half-yearly or yearly.
- Flexible payment amounts, within limits set by the Government. The minimum annual withdrawal for both types of pension is 4% of your account balance.
- A choice of six investment options that can be mixed to suit your retirement objectives.
- Low fees and no commissions.
- Access to personalised financial advice.
- The peace of mind that comes from knowing that your account balance is paid out (or reverts) to your nominated beneficiaries in the event of your death.
- The potential for tax savings. No tax is currently payable on investment earnings on pension accounts, although there is talk of introducing a tax on investment earnings above \$100,000 from 1 July 2014 (please note that this has not been legislated at the time of publication).
- A tax-free pension for people aged 60 and over. If you're aged 55–60, withdrawals are taxed, but with a 15% tax offset.

The key differences between our two pensions are set out in the table below.

Features	Transition to Retirement Pension (TRP)	Account Based Pension (ABP)
Eligibility	Members who have reached their preservation age (55 for people born before 1 July 1960) and are still working, even if casually	Members who have reached their preservation age and retired from the workforce
Maximum annual pension payments	10% of account balance	No upper limit
Lump-sum withdrawals	Not permitted (although you may be able to commute your pension into a lump sum when you retire, turn 65 or satisfy some other condition of release)	Permitted – and unlimited

Change that may affect account-based pensions

If you have a large amount invested in an account-based pension, you should be aware that the Government has announced its intention to introduce a tax on investment earnings that exceed \$100,000 in a financial year. The proposed start date for this is July 2014, and the tax rate would be 15% on earnings above \$100,000.





Please note that this change has not yet become law. We will keep you posted.

➤ An end to the minimum annual pension payment relief

Over the past few financial years, the Government reduced the minimum annual pension payment rates, most recently by 25%. This relief was intended to help pensioners maintain their retirement balances when returns were unusually volatile, primarily as a result of the recent Global Financial Crisis.

This relief has now ended. From 1 July 2013, the normal minimum annual pension payment rates apply. These are shown in the table at right.

Minimum annual pension payments	
Age	Minimum annual pension payment rates
55–64	4% of account balance
65–74	5% of account balance
75–79	6% of account balance
80–84	7% of account balance
85–89	9% of account balance
90–94	11% of account balance
95 or older	14% of account balance

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

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