

ELECTRICITY
INDUSTRY
SUPERANNUATION
SCHEME

Wired

electricity industry
superannuation scheme // news

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SUPER
RATINGS



SUPERRATINGS
GOLD 2016
CHOICE SUPER

Federal Budget

There were lots of changes to super announced in the Federal Budget this month. **Please remember that nearly all don't come in until next financial year, and there is an election and legislation to happen first.** A lot of the detail also needs to be sorted out. Having said that, there are a couple of things you can be thinking about now. The main changes that will impact members are listed below.

Before-tax (concessional) contributions limited to \$25,000pa from 1 July 2017

Your employer and salary sacrifice contributions will be restricted to \$25,000pa from 1 July 2017. (The current limits are \$30,000 if you are under 50, or \$35,000 if you are over 50.)

If you aren't contributing up to the limit now, it could be worth reviewing your super and your finances to get as much money into super before the new limits start. Advice or information on contributions is available over the phone on **1300 307 844**.

Catch-up concessional contributions allowed from 1 July 2017

If your super balance is less than \$500,000, you'll be able to make contributions over the \$25,000 annual limit, up to the amount of any unused limits from the last 5 years. This starts from 1 July 2017.

Extra tax payable on concessional contributions if you earn more than \$250,000 from 1 July 2017

If you earn more than \$250,000pa (currently \$300,000pa) then you will pay a tax rate of 30% on your employer and salary sacrifice contributions. If you earn less than this, you pay 15%. This tax is taken out of your account in the Scheme.

After-tax (non-concessional) contributions limited to \$500,000 over your lifetime

You will only be able to make a lifetime total of \$500,000 in after tax contributions (counted from 1 July 2007). Previously, you could make \$180,000pa, or \$540,000 within a 3 year period.

If you were planning on making some large after tax contributions to super (say from the sale of other investments), then it would be worth getting some advice on whether it is worthwhile to do that. If you don't have a financial adviser, we can make an appointment for you with an adviser at Mercer Financial Advice. Just call the Scheme on **1300 307 844**.

Contributions get easier after age 65 from 1 July 2017

The restrictions that are currently in place on making contributions for people over 65 will be removed for ages 65 – 74.

Limit on the balance of an income stream from 1 July 2017

There will be a limit of \$1.6m for income stream accounts from 1 July 2017. If you are not yet retired, then this will mean a rethink on your plans for any amounts you hold in superannuation over \$1.6m.

If you have more than \$1.6m in your income stream now, you will need to withdraw money after 1 July 2017 to reduce the balance down to \$1.6m. The amount withdrawn can be taken in cash, or held in an accumulation account in a super fund.

Transition to Retirement pensions will be taxed more from 1 July 2017

The investment earnings on a transition to retirement pension are currently not taxed. They will become taxable at 15% from 1 July 2017.

If you have or are planning a transition to retirement pension, you should seek advice on whether this is still appropriate. Please ring the Scheme on **1300 307 844** if you need further information.

Low income tax offset from 1 July 2017

Workers on lower incomes (less than \$37,000pa) will get an amount credited to their super accounts to offset the 15% tax on any employer or salary sacrifice contributions. This reduces the chance that these workers pay more tax on super contributions than they do on their income.

Finally

None of these changes are legislated, and the Government still has to negotiate an election before the end of the year. It is not necessary to make large irreversible changes to your super.

If you need advice, please ring the Scheme on **1300 307 844**, and we can refer you to an adviser at Mercer Financial Advice, or for simpler matters provide advice over the phone.

Alinta news

We are currently giving as much support as we can to the members at Port Augusta and Leigh Creek who are affected by the Alinta closure.

Nearly all Leigh Creek members have made a decision on whether to take their super or leave it in the EISS. Many have chosen to leave it here, which is a great show of support for the Scheme.

If you need any help with any issue around your super, please call the Helpline on **1300 307 844**.

Contribution limits

There is a limit to how much you can add to your super in 'concessional contributions'. These are contributions by your employer and by you via salary sacrifice. For Division 5 members, this also includes an allowance for the administration fees that your employer pays on your behalf.

The 2015/16 limit is \$30,000pa if you are under 50 at the start of the financial year, and \$35,000pa if you are over 50.

We have sent a letter to all members who are getting close to the limit for 2015/16 to check their numbers. To see if you are getting close to the limit for 2015/16, logon to the website and click on the Contributions menu, and then Annual Contribution Caps.

Independent review

The Board recently commissioned a review of the Scheme by SuperRatings, an independent consulting company. SuperRatings reviews most of the bigger super funds in Australia, and has been doing so for some years.

The EISS was rated as a Gold fund, which is the second highest rating and recognises it as "a good value for money fund". Only 25% of super funds get this rating. Investment performance was seen as one of the Scheme's strong points. The lower



volatility that the Scheme has managed makes the risk adjusted performance that members have enjoyed over recent years especially notable. Administration and Governance were two other particular strong points. The emphasis on phone and face to face contact with members that we pride ourselves on was also singled out as a point of difference with many other funds.

Investment Returns for 2015/16

The latest investment returns can be found on the EISS website at www.eiss.superfacts.com. The returns for the financial year to 31 March 2016 (after tax and investment fees) were:

| | | SuperRatings median return |
|----------------------------|---------|-------------------------------|
| High Growth | - 0.44% | - 0.8% |
| Balanced Growth | 0.23% | 0% |
| Conservative Growth | 1.54% | 1.41% |
| Cash | 1.38% | 1.38% |

If you want more information about the investment option you are in, please call the Scheme on **1300 307 844** and speak to an adviser. They can take you through the things that you should be thinking about when choosing an investment option.

Financial advice

The Board has recently made some changes to referrals for financial advice.

Previously, members were referred to a list of financial advisers if they needed advice. We have simplified this by narrowing it down to one firm, Mercer Financial Advice. This simplification will also allow us, in time, to expand the services provided to members.



Contacting the Scheme

STREET ADDRESS

Level 1, 70 Pirie St, Adelaide SA 5000

POSTAL ADDRESS

GPO Box 4303, Melbourne VIC 3001

GENERAL INQUIRIES

1300 307 844

TRUSTEE OFFICE

(08) 8224 6400

FAX

(08) 8224 6499

EMAIL

inquiries@electricssuper.com.au

www.eiss.superfacts.com

It will also allow the Helpline to make an appointment for you with a planner if you decide you'd like one.

Naturally, if you already have an adviser, we will do our best to help them with any information that they require to assist you.

To contact Mercer Financial Advice directly, please call their Adelaide office on **08 8110 3458**, or via the Scheme Helpline on **1300 307 844**.

Mercer

As well as providing financial planning services, Mercer are also the company that administers the Scheme on the Board's behalf.

The structure is that the Board is responsible for the Scheme, and the team in the EISS office (Jon, Mark, Karen and Lyndall) work for the Board and oversee all of the Scheme's operations. Mercer handle all the money that comes in and out, and looks after all the data that we need to hold to manage your super. The Scheme's call centre is also run by Mercer, as that gives a better range of services than could be managed by the small team in the EISS office.

The Board recently renewed the contract with Mercer for all these services. As part of this contract, the Board agreed to display Mercer's brand on Scheme communications. While this is recognition of the strong partnership between the EISS and Mercer, it also allowed the Board to keep the cost of your super as low as possible.

If you have any questions on who is responsible for your super, please call the EISS office on **08 8224 6400**.

What happens to your super when you die?

Everybody should have a will, but that won't necessarily decide what happens to your super on your death.

The rules of the Scheme require that the Board work out who it should be paid to, unless you tell us. Most members are able to tell the Scheme who their benefit should be paid to if they die. This is called a binding death nomination, and if you have one that is valid, then the Board must pay your benefit as you have said. You can nominate your Legal Personal Representative to receive your benefit if you have a will, in which case the benefit is paid as part of your estate.

Binding death nominations are only valid for 3 years, and must be renewed. We send out letters to members whose nominations have or will shortly expire, but please make sure you open them so that your wishes are followed if you die.

If you don't have a binding death nomination, you can get a form off the website. The rules don't allow Division 3 members to make binding death nominations.

Site Visits

The staff at EISS are always happy to answer any questions about super that you care to send us via email or over the phone. That's why we're here.

But we are even happier to get out of the office and come and visit worksites. We can do this either during the day, or after work if that's easier. We can do a group talk, or individual meetings about your particular issues.

Recently, we've been to visit members at Port Augusta and Leigh Creek, Whyalla, Port Pirie, Murray Bridge and Barmera. Of course, if it's more convenient for you and a few workmates to visit the Trustee Office as a small group, that's fine as well. (This would be best if you have general questions about the Scheme rather than member-specific information.)

Are your contact details up to date?

Make sure the Scheme has your correct contact details, so you receive all of your super information. To receive Scheme information as quickly as possible, you can provide your home email address and mobile number too. Update your details online at www.eiss.superfacts.com or call **1300 307 844**.

We want to hear from you

From the stories we hear, a lot of people ask payroll, or HR, or their mates about super. Why not call the people who run the EISS?

If you have a question on how your benefits work, or whether you can get paid while you're off crook, or whether changing your contributions will reduce your benefits, or anything like that, ring Jon, Mark, Karen or Lyndall on **08 8224 6400**.

If you want to update your address, or find out how to log on to the website, or be referred to a financial planner, ring the Helpline on **1300 307 844**.

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WE'RE HERE TO HELP... CONTACT US!

For more details on the Scheme visit our website www.eiss.superfacts.com or contact the Scheme's Helpline by phone on **1300 307 844** (during weekdays from 8.30am to 5.30pm) or email on inquiries@electricssuper.com.au

Free financial advice over the phone

Ring the Scheme to get financial advice on:

- Contributing to super
- The right investment strategy for you
- The insurance needs of you and your family

This is at no cost to you, other than your time.

Call **1300 307 844** during business hours.

Visit our website www.eiss.superfacts.com for information about the Scheme including:

- Details of how your benefits are calculated
- Investment strategies and choices available to you, include past investment returns
- Insurance benefits available to you
- Forms and publications
- Access to newsletters and annual reports

Login to your account and see your personal superannuation details:

- See your investment strategy
- Check your transactions and current benefits
- Check your level of death and disablement insurance
- Change your address and phone details
- Advise your Tax File Number
- Arrange for some financial advice
- Contributions paid during the year (including concessional contributions)

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