NATIONWIDE SUPER

Super News

Member Edition

Edition 1 2018

Welcome to the latest edition of Member News from Nationwide Super.

Insurance Claims Made Simple

Simple is back.

Making an insurance claim can be a difficult time for many people, even sometimes adding more stress for those who are sick or injured and possibly feeling alone. As a member with Nationwide Super, you're not alone – we're here for you. We strive to ensure our members receive their benefit payments quicker and with greater ease.

For claims relating to Events occurring from 1 July 2017*, we will soon be launching a simple three step digital solution that allows you as a member to initiate and manage your claims online via your desktop or tablet. After the initial claim lodgement, the solution also allows you to download and upload documents, and keeps you informed of progress by providing you with automated updates. Our digital capability means faster lodgement and also allows us to support you, and where possible, to attend rehabilitation programs and return to work sooner.

Making the process simpler, our digital solution consists of three stages – the *claim lodgement*, the *claim assessment* and the *claim decision*†. You can also track the progress of your claim either online or by contacting your experienced case manager whenever you need to.

The digital solution gives you 24/7 access to the online claims portal which means turnaround times are significantly reduced and results in a decision on your claim being made sooner for you.

We've designed the process to make it as simple as possible, so that you can manage it yourself – at no cost. Our job is to help you understand your insurance cover, your rights and entitlements, to explain all of your options and how to make your claim, plus keep you informed about what to expect.

Claim process

STEP ONE
Claim request

You request a claim
This is where you let us know that something has happened that's stopped you, or prevents you, from working

We check you're covered
We'll look at the policy and any information that you give us to see if you hold cover

STEP TWO
Claim Assessment

You provide information
At this stage, you'll need to provide detailed information that supports your claim. This might include medical, financial and employment information

We make an assessment
We'll look at all the information that you provide, but may ask for more information from you, depending on your circumstances

STEP THREE
Claim Decision

You've done your bit
You've supplied the information that we need to make a recommendation to the Trustee

We'll make our recommendation
The recommendation is forwarded to the Trustee for review. If there is any more information required, we'll let you know

Keep an eye on our website for more details about the launch date and to find out how to lodge a claim.

**If you ceased work prior to 1 July 2017, please call Nationwide Super on 1800 025 241 to discuss whether you may be eligible to submit a claim online. If you are not eligible to submit a claim online or would prefer to submit your claim in a different way e.g. by using a paper process, Nationwide Super will assist you with other options that are available to you. If you submit your claim by using a paper form, you'll still be able to check the status of your claim online should you choose to do so.*

†For all claim cases other than Income Protection claim acceptances, the Trustee will review the insurer's recommendation before a decision is communicated to you.

Highlights...

- **New Insurance Claims Process**
- **First Home Super Saver Scheme**
- **Benefits of Personal Contributions**
- **Finding & Consolidating Super**

First Home Super Saver Scheme

Saving for your first home through super

The government has recently introduced the First Home Super Saving Scheme (FHSSS) to make saving for the deposit on your first home a little easier.

Under the FHSSS, from 1 July 2018 you'll be able to withdraw up to $30,000 of eligible voluntary contributions made to your super account from 1 July 2017 to help you purchase or build your first home.

There are a few considerations and eligibility criteria you should be aware of if you intend to take part in the scheme – and we've included some of the key features here.

What you need to know and key features

- Up to $30,000 of eligible voluntary contributions (plus associated earnings) per person can be withdrawn, minus any applicable tax
- A $15,000 limit applies to contributions made from any one financial year, and the $30,000 limit applies to the total eligible contributions across all years
- Eligible personal contributions include both before (e.g. salary sacrifice) and after-tax contributions
- Withdrawals will be taxed at your marginal rate less a 30% offset
- Normal contributions tax and caps still apply to your voluntary contributions
- You need to sign a contract to buy or build a home within 12 months of release of the funds from super and intend to live in the home for at least 6 of the first 12 months you own it.

Who is eligible?

To participate in the FHSSS, you must:

- be at least 18 when you request to withdraw your contributions,
- have never owned property in Australia (including investment properties, commercial properties etc.),
- not be purchasing vacant land, a houseboat, a motor home, or any property not capable of being occupied as a residence; and
- not have previously requested release of money under the FHSSS.

How it can help

In basic terms, there may be tax savings available by building up your deposit through super contributions, versus traditional savings methods.

Before-tax contributions to super (sometimes known as salary-sacrifice) are generally taxed at a rate of 15%, which for many people would be less than the tax rate they pay on income outside of super (which could be up to 45%, depending on your marginal tax rate). Withdrawals of these before-tax contributions under the FHSSS are taxed at your marginal rate, less a 30% tax offset – which could be a key advantage for you over a traditional savings approach. The associated earnings (returns and/or interest) of your super savings that are invested in growth assets may also be higher than other forms of savings, like term deposits. These tax savings and higher earnings can all go towards the total deposit for your first home.

The figures we have covered are per person, so a couple can withdraw a combined total of $60,000 ($30,000 from each account) for a first home deposit.

Taking part in the scheme

From 1 July 2018, you can apply to the ATO, who will advise of the maximum amount of your super that can From 1 July 2018, you can apply to the ATO, who will advise of the maximum amount of your super that can be released to you - which in simple terms will be the amount of the eligible voluntary contributions you have made, **plus** the associated earnings, **minus** any tax that will apply.

For full details of the FHSSS, simply visit the Australian Tax Office (ATO) website at ato.gov.au

Downsizing contributions into super

Also from 1 July 2018, the government will introduce the 'Contributing the proceeds of downsizing into superannuation (downsizing)' measure.

The name can be quite a mouthful, but it has been designed for people who are at the other end of the 'homeowner' cycle. Members who are 65 years or older and meet the eligibility requirements, may be able to make a 'downsizer' contribution of up to $300,000 into their super account from the proceeds of selling their home.

The measure applies to the sale of a main residence, which has been owned for 10 years or more, where the exchange of contracts for the sale occurs on or after 1 July 2018.

What you need to know

- The maximum amount of the eligible contribution is $300,000 per person, so the amount is $600,000 combined for a couple ($300,000 into each account)
- You can only make downsizing contributions for the sale of one home. You can't access it again for the sale of a second home
- The proceeds from the sale must be transferred to your super account within 90 days from the date of settlement
- If you sell your home and choose to make a downsizer contribution (subject to eligibility), there is no requirement for you to purchase another home
- The lifetime super cap of $1.6 million that can be transferred into a tax-free super income stream still applies, meaning any amount contributed under this measure will be counted towards the total permitted under the cap.

This measure can be helpful because the existing age, work test and contribution cap rules that restrict contributions to super, particularly for those aged 65 or over, won't apply under the downsizing measure.

However, you should keep in mind that your super balance is assessed for eligibility for the government age pension, while the value of a family home is not.

For further information on this measure you can visit the Australian Tax Office website at ato.gov.au

Finding & Consolidating Super Accounts

If you've had a few jobs in your life, it's likely you've got a few super accounts too. There are many more super accounts than there are working Australians, and if you've lost track of some of your accounts, you're not alone. According the Australian Tax Office (ATO) there's nearly $18 billion in lost or unclaimed super in Australia.

Keeping track of multiple super statements each year is just one of the headaches that consolidating accounts could help solve.

Putting all of your super savings into one account means you could save costs by only paying one set of fees, it reduces your paperwork and makes it easier to keep track of your retirement nest-egg.

You just need to consider any fees that other funds may charge when exiting, and the impact of the loss of any insurance cover.

Finding lost super and consolidating with us

We've made the process of finding and consolidating super savings into your Nationwide Super account as simple as possible online, through MemberAccess.

Firstly, we just need the 'green light' from you to supply your personal details (including your TFN) to the ATO, along with consent to rollover any money they may be holding to your Nationwide Super account.

How it works

When you log into MemberAccess via our website, you'll be asked for permission to search the ATO database for any super they can identify in your name. You'll then see a list of any lost super held by the ATO and a second list of any accounts held with other super funds.

Simply select the accounts you'd like to transfer to your Nationwide Super account and we'll take care of the rest!

If you don't already have a MemberAccess account, it only takes a couple of minutes to register online – just visit the website for more information.

We're here to help

We can also help you over the phone with your online lost super search, or to consolidate other accounts. Simply contact the team to get started.

Making Extra Contributions To Your Super Has Rewards

The best time to start tipping any extra money you can afford into super is **today**. Whether your retirement is just around the corner or a long way down the track, the tax benefits and compound earnings potential could give your retirement nest egg a significant boost.

For many people, being in a position where you're relying on the government's Age Pension won't be enough to support the lifestyle you were hoping for in retirement. We're also living longer, and the cost of living will continue to increase.

The potential benefits of making extra contributions will vary depending on your personal circumstances, including your income, the type of contributions you make, and the investment returns from your fund. You should also look at your finances as a whole, as credit card debt, personal loans or a home loan could still be a priority over extra super contributions.

Ways to boost your super

You can make additional contributions from your before or after-tax income.

The before-tax contributions you can make are also known as 'salary sacrifice'. This is when you choose to have your employer pay some of your salary into super instead of taking the money as after-tax pay. The main benefit here is that these contributions are taxed at 15%, which could be lower than your marginal tax rate. You should talk to your employer about whether salary sacrifice is available to you and how to start.

As an example, if you earn $90,000 and decide to salary sacrifice $5,000 to super, your overall tax would go from $22,732 to $21,622 - a saving of $1,110 in just one year.

Personal contributions that you or your spouse makes on your behalf to super from after-tax salary are known as non-concessional contributions. There are limits on the amount you can contribute each year through this method.

If you don't have an employer or your employer doesn't offer salary sacrifice, you can still make tax deductible personal contributions.

You can generally claim up to 100% of any personal contributions you have made throughout the year as a deduction on your tax return – as again, these deductible super contributions are only taxed at 15% instead of your marginal tax rate.

Making extra contributions

Simply talk to your employer about making contributions through your payroll or download a *Personal Contribution Notice* form from our website – where you can also access a number of calculators to help you work out your potential retirement amount, or the impact additional contributions may have.

You can always contact the Nationwide Super team if you need any help, or we can put you in touch with a Super Adviser^, who will explain the different ways you can contribute to super and help you choose the right options for your particular circumstances.

For more information...

1800 025 241 **enquiries@nationwidesuper.com.au** **nationwidesuper.com.au**

NSF Nominees Pty Limited ABN 29 053 228 667 AFSL 253129 Trustee of Nationwide Superannuation Fund ABN 15 201 768 813

Date of issue: 04/18