

Super News

Edition 2 2018

Welcome to the latest newsletter for our Employers.

Exciting changes for Nationwide Super are coming soon

The mantra of the Nationwide Super team has always been to make super as simple as possible for our members and supporting employers. That means we're always looking for ways to help you easily meet your contribution obligations and for members to take control of their super savings, in an industry that is constantly evolving and changing as a result of things like government policy and regulations.

While offering products and tools that help members achieve the best possible retirement outcomes is our ultimate goal, we're also striving to deliver them with the highest level of personalised service and care.

To help us take the next steps in delivering these goals, the Trustee of Nationwide Super has entered into an alliance with Russell Investments. As you'll see, the Russell Investments team will bring the financial assets and experience needed to provide a strong foundation for the continued growth of the fund.

What this will mean for our members

The changes that will have the most exciting benefits for members include paying less in fees, having access to a much wider range of investment options, and an improved suite of tools and services (including a real time mobile app), to better manage their super savings.

What won't be changing is our commitment to providing the high level of service and support members have come to expect at every step of the way towards their retirement goals.

As we finalise the details of the changes and benefits, we'll be in touch with members over the next few months.



What this will mean for our employers

For our contributing employers, especially those using Nationwide Super as their 'default fund', the key message is that the product they have selected for their employees is about to get a whole lot stronger.

Otherwise, our aim will be to keep the impacts to you as minimal as possible. There will be a 'limited processing period' for transactions during a transition phase, and we will be in touch in the next few weeks to guide you through this process and any other changes that may affect you. The Nationwide Super team will always be on hand to help, so get in touch if you have any questions.

We're looking forward to the next steps, and taking you along for the ride.

Highlights...

- **Exciting changes are coming soon**
- **About Russell Investments**
- **Single touch payroll update**
- **Financial advice by phone**
- **How super is taxed**

About Russell Investments

Russell Investments is a global investment manager, dedicated to improving financial security for people for more than 80 years. Russell Investments guides more than \$3 trillion and manages over \$390 billion¹ on behalf of many of the world's largest investors, and individuals around the world.

As part of Russell Investments 'Super Alliance', Nationwide Super can offer the expertise of a much larger fund, improving outcomes for members and better supporting small business owners with their super obligations.

(1) As of 30 June 2018



Single Touch Payroll update

If you're a business with 20 or more employees, then the government's Single Touch Payroll (STP) scheme came into effect for you on 1 July 2018.

This scheme has been designed by the government, along with a range of other reforms, to safeguard and modernise the Superannuation Guarantee (SG) system.

The aim of STP is to align payroll functions with your business tax and super reporting obligations.

Meeting your obligations

Single Touch Payroll changes the way you report your employee' payroll information to the Australian Taxation Office (ATO).

Since 1 July 2018, businesses with 20 or more employees have had to report a range of payments including salaries and wages, Pay As You Go (PAYG) withholding and super information, to the ATO when they pay their employees.

Many businesses are able to meet their STP obligations through their existing payroll solution and/or accounting software, as long as it has been updated to offer STP reporting. Some payroll software providers were not ready for the 1 July start date and have asked the government for more time to update their products. You should check with your provider to confirm if they are STP compliant, or if they have been given a deferred start date.

Just remember that your payroll cycle doesn't need to change, and your payment due date for PAYG and SG contributions hasn't changed either.

Smaller businesses still have more time

If your business has 19 or fewer employees, the current timeframe for your switch to STP requirements is 1 July 2019. We'll be in touch closer to the date to confirm timing and any additional requirements – subject to legislation being introduced and passed in parliament.

If you have any questions or concerns about your current contribution processes or obligations, simply contact the Nationwide Super team, your payroll software provider, or your tax/accounting agent, for help.





How is super taxed?

The superannuation system has been designed to help you and your employees to become as financially self-sufficient as possible after retirement. While the government will change the rules, regulations and rates from time to time, super is generally subject to different tax rules than regular income and other investments, in order to make it as attractive as possible. While the tax structures can look like a complex topic, here is our attempt to help you understand the basics, and arm you with some knowledge that may help you to explain it to your employees if needed.

Usually, super savings are taxed at three key points: when it goes into a superannuation fund (through contributions); while it is in the fund (investment earnings); and when they are withdrawn (super benefits).

Contributions

The tax payable on super contributions generally depends on the type of contribution and how much is contributed over a period of time. Contributions made using before-tax income, otherwise known as 'concessional contributions' (usually via a salary sacrifice arrangement if you offer this option), are generally taxed at 15%. However, limits apply, and any contribution amount above the yearly cap limit is included in the person's income tax assessment and taxed at their marginal tax rate. For the 2018/2019 financial year, the concessional contributions cap limit is \$25,000 per annum.

On the other hand, contributions from after-tax income ('non-concessional contributions') are not taxed in the super fund – since tax on this income has already been paid. Similar to concessional contributions though, cap limits apply. Any contribution amount exceeding the yearly cap limit may be subject to a penalty tax. For 2018/2019 financial year, the non-concessional contributions cap limit is \$100,000 per annum.

Investment earnings

Investment earnings on super savings are taxed at a maximum rate of 15%. This tax is deducted from the super fund's investment earnings before they are added to the member's super account.

Super benefits

When a member reaches retirement age (or 'preservation age'), and look to access their super savings, the tax payable on the accumulated super benefits depends on a number of factors, such as their age and whether the super savings come from a previously taxed or untaxed source. Tax on both super and death benefits is also affected by whether the benefits are paid as a lump sum or income stream (regular payments).

For more information on the way super is taxed, simply visit the Australian Tax Office website at ato.gov.au/Individuals/Super/Super-and-tax or get in touch with the Nationwide Super team.

Financial advice for members is just a phone call away



Sooner or later, we're all going to have a few questions about our super and other finances that we could use a little help with. When it comes to helping our members understand their options when it comes to super and their financial situation - we call in the experts!

While many members have questions that are best answered through professional financial advice, we understand that not everyone has the time or opportunity for a face to face meeting.

That's why we've partnered with Link Advice, to provide access to their Super Advisers*, who are experts when it comes to helping with someone's personal financial situation.

How can a Super Adviser help?

Some of the questions people have around their super include:

- How much money do I need to retire?
- How long will my money last?
- Could I be doing something more with my super?
- What sort of insurance do I need?

The good news is – these are questions that have been asked many times before, so our members are definitely not alone – and a Super Adviser can help with some answers.

Help when it's needed

As an extra convenience for our members, most matters can be discussed with a Super Adviser over the phone. For more complex matters, they can also receive advice in person.

To get started, they simply need to get in touch with the Nationwide Super team.

And the cost...

We will pay the fees involved the first time a member receives advice from a Super Adviser[^] over the phone. Any additional expense will be discussed in advance (and in most cases, some or all of the cost of obtaining advice about super can be deducted from their Nationwide Super account).

** The financial advice service available for Nationwide Super members, will be provided by Link Advice Pty Ltd, AFSL 258145. Neither Link Advice Pty Ltd nor its employees are representatives of NSF Nominees Pty Ltd, the Trustee of Nationwide Super. No commissions are paid by any party to any other party, for referring Nationwide Super members to Link Advice Pty Ltd.*

NSF Nominees Pty Ltd does not accept liability for any loss or damage incurred by anyone using Link Advice products or services.

[^] Nationwide Super will pay for the first piece of advice members receive on a single super issue over the phone.

Join us on social media

We're making more use of the conversation opportunities through popular social media channels. Follow our pages @nationwidesuper for regular updates and to stay in touch!



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

The information contained in this document is of a general nature only. It does not take into account your objectives, financial situation or needs. You should consider whether it is appropriate to your individual circumstances. Before you make any investment decisions, we suggest you obtain and read the relevant Nationwide Super Product Disclosure Statement, available at nationwidesuper.com.au, and/or seek licensed financial advice.

As at the time of compilation, the information contained in this document is correct, and any estimates, opinions, conclusions or recommendations are reasonably held or made. Subsequent events may mean that the information becomes out-of-date and so, to the maximum extent permitted by law, we disclaim all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient through relying on anything contained in or omitted from this document.