



Tania Groves

REAL LIFE

Solid. Strong. Yours.

February 2015

## Back injury puts a snag in Tania's plans.

**REGISTER ONLINE**



and you could be in-line to WIN!  
**Two \$5,000 holiday vouchers to be won.**

Imagine you and a friend or partner having a holiday virtually anywhere you like. Well you could if you put your super on-line now.

Simply register for AMIST Super's online super service, MemberAccess, fill in a few details and you're automatically in the draw. And if you're already registered, just log-on, make sure you update all your details, and you'll go into the draw too.

There are two \$5,000 holiday vouchers to be won. But hurry, you only have until **8 May 2015** to register to be in the running to win.

Terms and conditions apply - please refer to our website at [www.amist.com.au](http://www.amist.com.au) for complete entry details.



*Where in the world would you like to be?*

**Tania Groves is the co-owner of The Sausage Shop in Perth, Tasmania, along with her husband, Phil. Tania and Phil have run the shop since 1996 and they have been members of AMIST Super since 2007.**

The long hours on her feet in the shop had inevitably led to a degree of back pain, but in September 2012, Tania started to feel a greater level of discomfort than usual. What she didn't realise was that these new symptoms were caused by a much more serious issue: the imminent rupture of some discs in her back that threatened to completely sever her spinal cord.

The condition was diagnosed just in time, resulting in surgery and a long, slow road to recovery. Naturally, the entire episode meant that Tania was unable to work in the Sausage Shop.

As an AMIST Super member, Tania had the default level of Income Protection cover, which entitled her to receive \$2,000 per month before tax for up to two years. Fortunately for Tania, she was eligible to receive benefit payments for the full two years.

*Tania had the default level of Income Protection cover, which entitled her to receive \$2,000 per month*

Just remember though that members also have the option to apply for an increase in their level of cover to more accurately match their income. Tania hadn't done this, so the default benefit payments commenced 30 days after the diagnosis.

Under most Income Protection claims, a new Medical Certificate is also required every two weeks to maintain benefit payments. The purpose of this is to get people back to work as soon as they are able. In Tania's case, although her ongoing treatment, including water-based exercise, has improved her mobility, returning to normal work in the shop remains unlikely.

Tania's benefit payments have now ceased and while she has not returned to work, Tania appreciated the support her AMIST Super Income Protection cover provided during her recovery.

She also told us that the whole process was made easier because she dealt with a single case manager for the entire period she was on claim.

While she may not be back at work officially, her competitive spirit remains. Tania and Phil are now planning to travel to Adelaide to compete in the National Sausage King finals in February. We wish them every success.

# Is it time you thought seriously about beefing up your super?

If you're over 50 and haven't really paid much attention to your super, now is definitely the time to act. Because it could be only a few years until you give up working completely, so let's make sure you maximise your retirement savings.

## But how?

The good news is that you have options that will certainly help you boost your super.

The following story gives you four examples of what you might consider:

Steve is 55 years old and earns \$45,000 each year working full time. He will continue working until he reaches 67, his age pension eligibility age. His super account balance is \$40,000 and he wants to know what he can do to increase this by the time he retires in 12 years. Steve calls the AMIST Super Hotline and makes an appointment with a financial adviser to find out how he can boost his super. The financial adviser shows him four approaches so he can see the difference each approach can make to his super.

### Approach 1:

Do nothing - rely only on the Superannuation Guarantee (SG) contributions his employer makes to his super.



### Approach 2:

Pay \$20 per week to super from his after-tax pay, so he would also be eligible for a Government co-contribution payment to his super.

### Approach 3:

Pay an amount equal to \$40 per week from his take home pay made up from a mix of after-tax (\$6 per week) and before-tax (\$51.90 per week) money.

### Approach 4:

Pay an amount equal to \$80 per week from his take home pay made up from a mix of after tax (\$6 per week) and before-tax (\$112.98 per week) money.

The following table shows the difference each approach makes to his current account balance of \$40,000, assuming that his super is invested in the same way for each approach and earns a net return of 6.3% p.a.<sup>(1)</sup> Where Steve makes extra contributions into his super, in each approach his savings have increased significantly by the time he turns age 67, showing the powerful effect of compounding interest.



The example shows how putting away extra money can make a difference to your super. Imagine the effect if you were able to save even more!

Gross salary increases each year by 3.5% pa and general inflation by 2.5% pa.

\* Net of 15% contributions tax paid upon entry to the Super fund.

1. This expected long-term investment performance is based on the historical performance of a fund with an investment asset allocation split of 60% growth and 40% defensive. However, past performance is no guarantee of future performance.
2. For simplicity of the comparison, SG contributions are calculated at 9.5% only for the entire twelve-year period.
3. If Steve invested \$20 per week outside of super, earning a net 6.3% p.a. return (not receiving the Government co-contribution), his investment would grow to \$16,400.
4. If Steve invested \$40 per week (the amount he has less in his take home pay) in the same way earning a net 6.3% p.a. outside of super (not having the benefit of before-tax savings or Government co-contribution), his investment would grow to \$38,300.
5. If Steve invested \$80 per week (the amount he has less in his take home pay) in the same way earning a net 6.3% p.a. outside of super (not having the benefit of before-tax savings or Government co-contribution), his investment would grow to \$77,600.

Please note: for simplicity, no tax on investment earnings has been taken into account and any earnings (such as interest) are reinvested for the examples below.

	Approach 1	Approach 2	Approach 3	Approach 4
	SG contributions only	Extra \$20: after-tax per week	Extra \$40: A mix of \$6 after-tax and \$51.90 before tax per week	Extra \$80: A mix of \$6 after-tax and \$112.98 before tax per week
Superannuation Guarantee <sup>(2)*</sup>	\$3,634	\$3,634	\$3,634	\$3,634
After-tax contributions each year	\$0	\$1,040	\$312	\$312
Government co-contribution	n/a	\$150	\$150	\$150
Salary Sacrifice each year*	\$0	\$0	\$2,295	\$4,994
<b>Total extra contributions</b>	<b>\$0</b>	<b>\$1,190</b>	<b>\$2,757</b>	<b>\$5,456</b>
<b>Total contributions in the first year</b>	<b>\$3,634</b>	<b>\$4,824</b>	<b>\$6,391</b>	<b>\$9,090</b>
Total extra contributions at age 67	\$0	\$12,771	\$37,533	\$76,954
Total contributions made at age 67	\$53,058	\$65,829	\$90,591	\$130,013
<b>Total extra super savings</b>	<b>\$0</b>	<b>\$18,000<sup>(3)</sup></b>	<b>\$54,000<sup>(4)</sup></b>	<b>\$111,000<sup>(5)</sup></b>
<b>Approximate super benefits at age 67</b>	<b>\$161,000</b>	<b>\$179,000</b>	<b>\$215,000</b>	<b>\$272,000</b>

The information, calculations and illustrations contained in this article were provided by Money Solutions (AFSL 258145). Money Solutions has been contracted by AMIST Super to provide members with simple financial advice as part of their membership. Any financial product advice given by Money Solutions is provided under their own AFSL.

# How your money is invested. Part 2: Property

In part 2 of our series on how your super money is invested, we spoke to Chief Investments Officer, Megan Pham about property investments.

**Super Essentials:** What kinds of properties does AMIST Super invest in?

**Megan Pham:** Basically there are three types of property categories that we are interested in. These are retail, industrial and office or commercial buildings. So for example, we will invest in major shopping centres, factory complexes as well as large office buildings.

**SE:** So, does AMIST Super actually buy these buildings?

**MP:** Not as such. AMIST Super invests with property managers who own numerous buildings. So we will have a shareholding in a cross-section of high quality properties.

A large proportion of our property investment is with Industry Super Property Trust (ISPT). AMIST Super was, in fact, a founding investor with ISPT. Their portfolio is largely based in Sydney and Melbourne and includes the ANZ building in Castlereagh Street in Sydney as well as 50 Lonsdale Street and the GPO Retail Precinct in Melbourne.



Chief Investment Officer, Megan Pham

**SE:** What's the attraction for AMIST Super in property investment?

**MP:** Property offers us a lot of advantages. For example, steady, regular income is one thing. Because the properties are leased to other businesses, there is regular rental income from all of the investments. And because the rent is linked to the CPI, property offers a good buffer against inflation too.

Secondly, because the value of property can go up, there's the potential for solid capital appreciation as well. And property is a medium-risk investment. It's much less volatile than equities, so it offers us greater stability. In fact, the types of property we invest in have averaged an annual return of 7.6% over the last 10 years.

*"... we will have a shareholding in a cross-section of high quality properties."*

Property also adds to the diversification of our overall investment strategy. A sound investment strategy involves spreading your investments over a range of options. This helps to protect the overall investment because when one option is under-performing, others will most likely be doing well.

For more information about AMIST Super investment options, see our Investment Guide booklet which is available by calling the **AMIST Super Hotline**, or download it from our website.

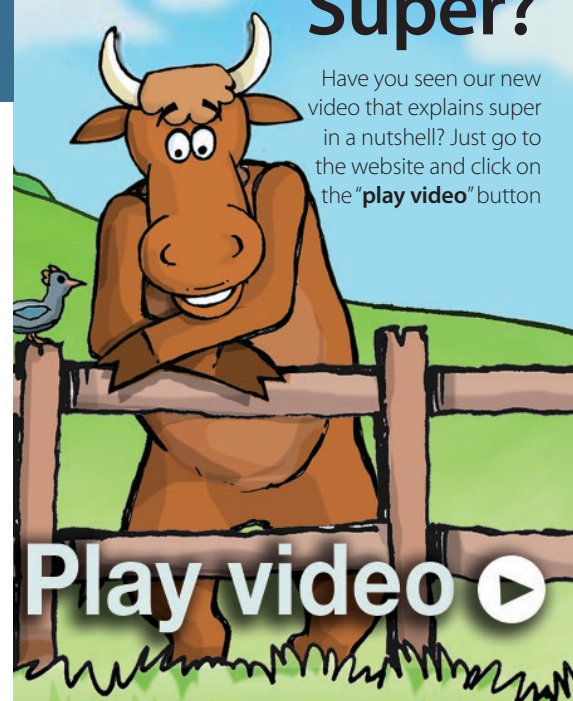
## Investment returns: Six months to 31 December 2014

AMIST Super investment options	Interim rates 1 July to 31 December 2014
Secure	1.29%
Capital Stable	2.86%
MySuper	4.04%
Balanced	4.04%
Growth	5.23%
High Growth	6.49%

If you have never made an investment choice your account balance and contributions will be invested in the MySuper option.

## Herd about Super?

Have you seen our new video that explains super in a nutshell? Just go to the website and click on the "play video" button



**Play video**

We're in the top 10!



AMIST Super's Balanced option was rated as one of the top 10 funds for low fees and the best returns over 10 years by independent researcher, Rainmaker, as at 30 June 2014.

**A very solid performance.**

## Super industry recognises AMIST Super with awards

AMIST Super has once again been recognised as a leading fund by industry analysts, SuperRatings, with the awarding of Gold ratings for 2015 for the Employer Sponsored Division, the Personal Division, as well as the AMIST Pension. The relatively new AMIST MySuper investment option also scored a Gold rating.

In addition, the Australian Institute of Superannuation Trustees presented AMIST Super's marketing team with the 2014 Excellence Award for Marketing Communications at a gala presentation night held recently in Melbourne for the second year in a row!



## Manage your super on your smartphone

Now you can manage your super on your phone with our new MemberAccess mobile site.

MemberAccess is our secure site that allows you to view and edit specific details about your super account. For example, you can:

- view transactions and your account balance
- check your investments and switch options
- transfer super from other funds into AMIST Super.
- edit your contact details
- find your BPAY information
- update your beneficiaries.

### How to get it.

Using your phone's web browser, go to **www.amist.com.au** and click on the red MemberAccess button. The site will recognise that you're using a smartphone and will prompt you on how to bookmark it to your home screen. When this is done, you'll see the AMIST Super logo icon on your screen.

Tap on it to launch MemberAccess. Scroll down the page, press the "register" button and follow the registration instructions. It's that easy!

You can also register on your computer if you prefer. Don't forget to make a note of your password, so you can come back and check your super again and again.



## Election results.

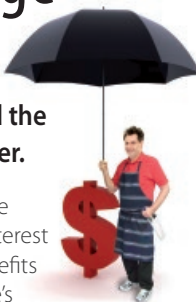
The election to appoint Member Elected Directors to the AMIST Super Board was completed on 13 January 2015 and the new representatives are:



## Income Protection insurer change

As of 31 January, AMIST Super has changed the Income Protection provider.

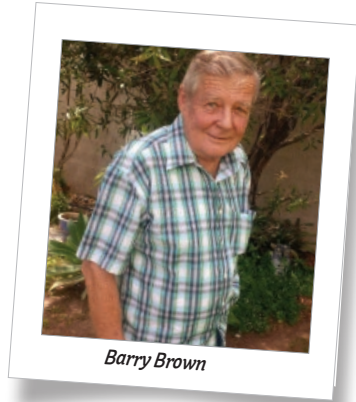
Following a review of insurance protection cover, and in the interest of keeping premiums and benefits at the current level, the Trustee's policy is now being provided by Windsor Income Protection Pty Ltd. The insurance policy is still being underwritten by a Lloyds of London syndicate.



# Income Protection eases financial pain.

**REAL LIFE**

**Barry Brown commenced his career as a butcher in 1965 and for the past four years, has worked at Beak a la Carte, Morningside, located in Brisbane. He's been an AMIST Super member for nearly 15 years.**



In 1997, Barry and his wife, Elisabeth, were holidaying on a houseboat near South Stradbroke Island, just off Brisbane, when they ran aground on a submerged sand bar. Several passing sailors came to Barry's aide and together, they pushed the houseboat back into deeper water.

However, in the process of freeing the boat, Barry felt something snap in his back. It turned out to be two vertebrae and Barry was subsequently diagnosed with osteoporosis.

Osteoporosis is a common disease affecting over 1 million Australians. This disease makes bones become brittle leading to a higher risk of breaks than in normal bone. Osteoporosis occurs when bones lose minerals, such as calcium, more quickly than the body can replace them, causing a loss of bone thickness or density.

Since his diagnosis, Barry has suffered from many broken bones including four vertebrae, causing him continuous acute pain and changing his life immeasurably. Simple activities, such as starting a whipper snipper, are now impossible to perform. While he still manages to push a lawn mower, once the job is completed, Barry's night will be one of considerable discomfort. Even walking several hundred metres now takes its toll.

*...It can pay you up to 75% of your income if you are temporarily unable to work due to sickness or injury.*

Barry's deteriorating condition has meant that he was forced to stop working in October 2013. Once this occurred, he applied for a benefit under his AMIST Super Income Protection insurance. Since the approval of the claim, Barry has been receiving regular payments that have helped him and Elisabeth keep afloat financially.

Income Protection cover is a valuable benefit that is automatically provided to most AMIST Super members. It can pay you up to 75% of your income if you are temporarily unable to work due to sickness or injury.

While an Income Protection benefit lasts for a maximum of two years, Barry is unlikely to ever be able to return to work. Fortunately, he will soon be eligible for the age pension and combined with rolling his super into the AMIST Pension, he and Elisabeth can look forward to reasonable comfort in retirement.

# Do you have questions?

If you have any questions about your AMIST Super membership, call the **AMIST Super Hotline 1800 808 614** or

# Hop on the web for much more information

For all the latest information about AMIST Super, log onto [www.amist.com.au](http://www.amist.com.au). Get the latest news and results, view or download fact sheets and forms, and watch our video. It's all there to make super easier to understand.



# AMIST Super appoints new head of client services.

**Steve Fleming has been appointed to the role of National Manager, Client Services.**



For the past two years, Steve has worked as a Client Services Manager with AMIST Super, so he is already well known to many members and employers having visited abattoirs, processors and butchers in New South Wales, Western Australia and Queensland.

A regular at AMIC Sausage King events, Steve has judged at five state and two national finals and will again be judging at the South Australian finals in February.

Steve was born and raised on a cattle and sheep farm in Tasmania. Consequently, during his travel for AMIST Super, he will often note the condition of stock, prices and feed in rural areas, which helps him understand the supply and market issues within the meat industry.

Steve has over 35 years experience in financial services, with the last 10 spent concentrating on the areas of superannuation and group insurance. He and his team work closely with employers and members to help them understand the often complex concepts associated with superannuation.

We wish Steve and his team continued success in their quest to maintain high standards of service to AMIST Super members and employers.



## Raymond wins quiz prize.

Congratulations to NSW member **Raymond Hollis** for correctly answering the quiz questions in the last edition. Raymond wins the \$200 prize.

## Take our quick quiz and you could win \$200!

How well do you know your super? You'll find the answers in this edition of *Super ESSENTIALS*.

Entries close 30 June 2015. Just send your answers and details below to:  
AMIST Super Quiz GPO Box 4293 Sydney NSW 2001 or Fax to: 02 9230 1111



1. Who is AMIST Super's new Income Protection insurer? .....
2. What could you win if you register for MemberAccess? .....
3. Can you use MemberAccess on a smart phone? .....
4. Name one of the three property categories AMIST Super invests in .....
5. What has been the average annual return of AMIST Super's property investments over the past 10 years? .....
6. What is the investment return for the 6 months to 31 December 2014 for the AMIST Super Balanced option? .....
7. How much per month did Tania's Income Protection insurance pay her while she was on claim? .....
8. Who is AMIST Super's new head of Client Services? .....
9. During 2014, AMIST Super won several awards. Name one of them .....
10. Client Services Manager, Royston Bennett looks after which states? .....

Please be sure to write your name and contact details clearly.

Name: ..... AMIST Super Member No: .....

Address: .....

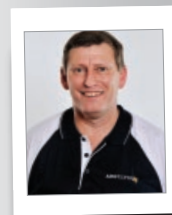
State: ..... Postcode: ..... Phone: .....

Email: .....

## Client Services

Meet our team of service professionals.

Remember our Client Services Managers are here to help you get the most from your super. Feel free to contact them.



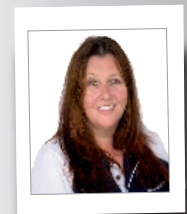
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Client Services Manager for QLD and NT.



**Catherine Chadwick** our Employer Liaison Officer on (07) 3233 6668 or [catherinec@amist.com.au](mailto:catherinec@amist.com.au)

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**MAILING ADDRESS**

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AMIST Super Fax: 1300 855 378  
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[www.amist.com.au](http://www.amist.com.au)

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AMIST Pension Fax: 1300 663 844  
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[www.amist.com.au](http://www.amist.com.au)

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