

iFOCUS^{super}CUS

keeping you **in focus** with superannuation news

Solid. Strong. Yours.

September 2016



Mark Beecham

REAL LIFE

Rollover and relax. It's easy!

Regular readers of *iFocusSuper* will know that we often talk about the benefits of having all your super in one account, rather than spread across a number of funds. We talk about "consolidating" your super or "rolling it over" into one account. And these days, the rollover process couldn't be any easier.

Take the recent case of Mark Beecham. Mark is a Project Manager with Mintrac, a company that improves the skills of workers in the meat industry through recognised and accredited training.

Last year when Mark was completing his tax return online, he decided to take a look to see how many different super accounts he had. To his surprise, there were several that he knew about plus another that he had forgotten about completely!

Mark compared the fees and returns of these funds against his AMIST Super membership and decided it made complete sense to roll it all into his AMIST Super account.

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From 1 July, you can switch your investment weekly.

Many members have told us that they would like to be able to change the way their money is invested without having to wait until the end of the month. To accommodate this request, from 1 July 2016 you are able to change the way your super is invested weekly.

How does weekly switching work?

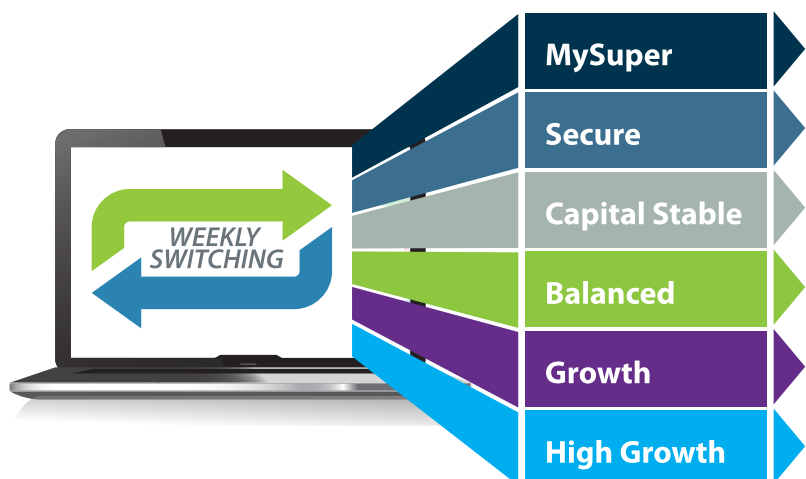
In order to make a change, you have until 11:59pm on any Tuesday to submit your request online (via MemberAccess) or make sure your form reaches our administration office on that day. The changes you make will take effect on the following Wednesday.

You may change the way that your account balance and future contributions are invested, just the current account balance, or just future contributions. If you are changing the way your balance is invested, the balance will be calculated based on the crediting rates set by the Trustee.

How is weekly switching better than monthly switching?

When a member decides that they want to change investment strategy it may be important to them that the change occurs in a timely manner. Allowing switches to occur on a weekly basis will facilitate this. However, for most members, sticking to a long-term strategy is important.

As always, any decision regarding the way in which your superannuation is invested should not be taken lightly; therefore we recommend seeking financial advice before changing the way your funds are invested.



Budget update

A number of measures presented in the 2016 Federal Budget have impacted superannuation. But the majority of changes are targeted at high balance, high income individuals and will therefore tend to impact a minority of account holders.



Some of the changes that may affect AMIST Super members are:

- ▶ The concessional (before-tax) contributions cap is reducing from \$30,000 to \$25,000 per year from 1 July 2017. Members with a balance of \$500,000 or less will be allowed to make additional concessional contributions if they have not reached their concessional contributions cap in previous years. This also takes effect from 1 July 2017, with surplus concessional cap amounts carried forward on a rolling five-year basis from that date.
- ▶ A new cap has been introduced that will limit non-concessional (after-tax) contributions to \$500,000 for an individual's lifetime. This cap applied from 7:30pm on 3 May 2016 and all non-concessional contributions from 1 July 2007 will count towards the cap.
- ▶ If you make super contributions on behalf of a low-income earning spouse, the low income threshold will be increased from \$10,800 per year to \$37,000 on 1 July 2017. So if you make a contribution of \$3,000 or more to your spouse's super, and your spouse earns less than \$37,000, you may be able to collect a tax offset of up to \$540.
- ▶ If you earn less than \$37,000 a year, and your employer (or you) makes concessional (before-tax) super contributions, then you can expect a refund of the 15% contributions tax deducted when the money went into your fund. The refund will be paid directly to your super account by the federal government. The federal government currently calls this refund the Low Income Super Contribution (LISC), but from 1 July 2017, it will be called the Low Income Superannuation Tax Offset (LISTO). Same deal, new name.

There are some tax changes too.

- ▶ The threshold at which the 37% marginal tax rate commences will be lifted from \$80,000 to \$87,000 from 1 July 2017. So if you earn \$87,000 or more per year, you should expect a reduction in income tax of \$315.
- ▶ The Medicare Levy thresholds have also been indexed in line with the CPI. The threshold for singles will increase to \$21,335, \$35,001 for couples and \$3,306 for each dependent child or student.

Note that these budget announcements have not yet been passed into legislation and, in some cases, Treasury has not confirmed exactly how they will be applied. Please refer to the Australian Taxation Office website (www.ato.gov.au) for the most up-to-date information.

Do you have questions?



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

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.



Steve Fleming,
National Manager,
Client Services on
0419 160 293 or
stevef@amist.com.au
for NSW and WA.



Catherine Chadwick,
Client Liaison Manager
on (07) 3233 6668 or
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Find us on
Facebook

AMIST Super is on Facebook.

We'll be making regular posts about super and lots of other interesting things. So why not "like" us and "share" us amongst your workmates. And don't forget to make a comment. We're always interested in your views.



Brexit: What is it and what does it mean for AMIST Super members?

Murray Rutherford. Head of Investments

You've probably seen and heard "Brexit" mentioned all over the news in recent times. But what is it and what does it mean? We asked AMIST Super's Head of Investments, Murray Rutherford to explain the likely impact.

iFocusSuper So, in very simple terms, what is Brexit?

Murray Rutherford: Brexit is an abbreviation for "British exit", and refers to the 23 June, 2016 referendum by British voters to exit the European Union. Unexpectedly, the "leave" vote won. This result rattled global markets, including currencies, causing the British pound to fall to its lowest level in decades. Prime Minister David Cameron, who supported the UK remaining in the EU, announced he would resign. He has been replaced by Theresa May, Britain's second female Prime Minister.

IF: What happened next?

MR: Brexit, while not a 'good thing' for markets, is an excellent example of the types of events that have always impacted markets and will continue to do so.

It's fair to say that most investors, including us, were not expecting the "leave" vote outcome. Indeed, share markets globally were broadly positive leading up to the referendum. Global share markets fell sharply on Friday 24 June while the US Dollar, Japanese Yen, US Treasury bonds, German bunds, and gold were up. This is typical market behavior when reacting to negative news. Markets love news and drama, but as investors, AMIST Super takes a longer-term conservative approach. We manage your money with the expectation that this type of event will occur.

IF: How will this affect AMIST Super's investment options?

MR: Each of our Investment Options will be affected, with the impact increasing as the proportion of exposure to shares increases in the Option a member is invested in. These exposures are detailed in the Investment Guide available at www.amist.com.au.

Options that include international shares will be most directly affected because approximately 25% of the exposure is to European and U.K. shares. Indirectly, the

portfolio will feel some pain through the Australian Shares and Global Infrastructure.

However, our bonds, bank loans, unlisted (property etc), and US Dollar exposure will provide protection through near-term volatility.

IF: So should AMIST Super members switch Investment Options as a result of this?

MR: No. If you're a member who has selected your investments based on future spending needs and your tolerance for risk, then you should leave your investments as they are.

For those that haven't chosen an Option, the answer is also no. For most members, the default MySuper option that you are in will be the right choice. This option is managed for the investor who is OK with a small amount of volatility.

If you haven't considered your investment options and you would like some advice tailored to your circumstances, call the AMIST Super Hotline.

IF: And how do you see things panning out in the longer-term?

MR: Less than a week after the referendum result was announced, many markets had recovered almost half of the Friday 24 June dip. This is also a typical pattern to this type of event.

Importantly, as diversified investors that have a conservative risk profile, these types of market events and related short-term volatility create opportunities for patient, long-term investors like AMIST Super.

We would expect to see good opportunities to add to equities at more attractive

valuations, which should be a strong long-term tailwind for performance. AMIST Super, along with its investment managers and advisors, will be watching markets closely for these opportunities.

In summary, this event will impact the 30 June 2016 final crediting rate. While the timing in this regard is unfortunate, for most members with a long-term investment horizon, the long-term impact is unlikely to be large.

REAL LIFE

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Rollover and relax. It's easy!

"The process was simple, quick and required no paperwork or phone calls," Mark says. "I just logged onto my 'MyGov' account and went to the ATO section and from there it was easy. The ATO listed all my super accounts and I selected to roll them over into my AMIST Super account. SIMPLE! A five minute process and the ATO did the rest".

A few days later Mark received notification from AMIST Super that the rollovers had been received and credited to his account.

"Now when I want to check my super, I only need to go to the one place," Mark says. "How convenient is that?"

So, if you have super scattered about the place, why don't you do as Mark did. Roll it all into your AMIST Super account. It's easy.

For more information about this and other super-related matters, call the **AMIST Super Hotline** on **1800 808 614**. The Contact Centre staff can also help you rollover on the phone.

Investment returns as at 30 June 2016

AMIST Super investment options	Rate
Secure	2.06%
Capital Stable	3.91%
MySuper	4.27%
Balanced	4.27%
Growth	4.61%
High Growth	3.24%

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

Do you need legal advice when making an income protection claim?

Income Protection is a type of insurance that could replace up to 75% of your pay if you become sick or injured and can't work – helping to protect you and your family against financial hardship while you recover. AMIST Super members automatically receive this insurance.

While the process for making a claim on your income protection policy is relatively straight-forward, some members are electing to involve a solicitor. Naturally, it is your right to have legal representation should you wish, but you could well be spending money unnecessarily on legal fees when your claim would have been approved without the solicitor's input.

So if you need to lodge an income protection claim, why not consider doing it without engaging a solicitor. You can always seek legal assistance in the event that your claim is declined through the insurer's internal review process or the Superannuation Complaints Tribunal.

Financial advice over the phone.

Since 2010, AMIST Super has offered all members the opportunity to get "single issue" financial advice from a qualified financial adviser simply by calling the **Hotline number 1800 808 614**.

This is a great opportunity for members to ask questions about their super and get professional and specific advice they can use immediately. And the best part of this is that it costs no extra. The adviser's fee is covered within the normal weekly administration fee that is part of your membership.

But what does "single issue" financial advice mean and when are you likely to have to pay for financial advice?

Single issue advice includes questions such as these:

- ▶ How does salary sacrifice work?
- ▶ How can I plan for my retirement?
- ▶ Can I get the Government co-contribution?

- ▶ What does 'transition to retirement' mean, and should I be doing it?
- ▶ Are there benefits from having just one super fund?
- ▶ Which investment strategy is best for me?
- ▶ Should I put extra money into super?

When you ask a particular question relating to a single superannuation issue, you'll get advice that is specific to your personal situation.

But for more complicated financial situations, you would need to pay for the advice. If the advice you are seeking becomes more complex while you're on the phone, the financial adviser will always

tell you before progressing if it will incur a fee. That way, you can decide whether you wish to proceed.

It's well worth seeking advice if you have any questions or concerns about your super. Just call the **AMIST Super Hotline on 1800 808 614**.

Now you can roll over on the phone!

If you have money in more than one super fund, you are likely to be paying fees and charges on all of them, which could erode your savings over time. Rolling all your super into your AMIST Super account may save you money and now, it couldn't be easier.

Just call the **AMIST Super Hotline** on **1800 808 614** and we can do it all for you over the phone. Make sure you have your membership details for the other funds with you.

If you don't want to waste your money, it pays to consolidate your super into a single account. By moving all of your super into AMIST Super, you'll save money on fees and

you'll be able to keep track of your super more easily. Not only that, AMIST Super has no entry fees, so consolidating your super will cost you nothing. So why not give us a call and consolidate today?



Clem Stephan

Clem's transition proves a real winner.

Clem Stephan works in the Boning Room at JBS Dinmore and has been an AMIST Super member since April 1990.

During a site visit to JBS, Dinmore back in June 2013, Clem spoke to David Ashton, his AMIST Super Member Services Manager (Queensland), who suggested he may be able to significantly boost his super balance before he retires by taking advantage of the 'Transition to Retirement' (TTR) strategy.

The process was explained to Clem, who at first was somewhat sceptical about the whole idea, however, after finding out he could return to his super account if he didn't like it, decided to give it a try.

Over the last three years Clem has been receiving a regular income from his AMIST Super account. The income he has been receiving has allowed him to make significant contributions back into super from his pre-tax income. The tax savings available in this strategy has allowed him to contribute much more than the pension payments he is receiving, and this has caused the significant growth in his combined super

account balances, over and above what he would have otherwise had.

Clem wanted to maintain the normal income he was receiving prior to the commencement of the TTR strategy. The income amount he used to receive is now coming from two places... what is left of his pay and the income from his pension. Effectively the income he has lost from his pay is being replaced by the payments coming from his pension.

As the pension account is currently exempt from tax on the investment earnings, maximising what super members' have in their pension accounts should produce a better return. Based on this idea, Clem has combined his super and his current pension, at that time, into a new pension account on a couple of occasions. (Note: the recent Federal Budget intends to apply tax to the investment earnings of pension accounts. However, this will mean the investment earnings will be the same

for both super and pension accounts. The remaining tax advantages will still make TTR a relevant strategy for our older members to consider.)

Over the last year or so, Clem has become an advocate for TTR, encouraging his workmates to talk to David on his regular visits to Dinmore and even give it a try.

So what has been the benefit Clem has gained? Over the three years Clem has been 'transitioning to retirement' his super has grown more than 50% in value! Clem still has a few more years of work left in him and expects to see even more growth in his super before he retires.

If this a strategy you would like to explore further, talk to your AMIST Super Member Services Manager when they next visit your workplace, give them a call, or call the **AMIST Super Hotline on 1800 808 614.**

AMIST Pension wins Gold again!



AMIST Super has once again received the Gold Award for Outstanding Value from CANSTAR.

Each year CANSTAR researches and rates account based pension funds across Australia to determine which ones offer outstanding value for money. This year they looked at 66 different products from 59 superannuation providers and gave AMIST Pension a five star rating for outstanding value.



AMIST Super CEO, James Thomas, (right) receives the Outstanding Value Award from Josh Callaghan from CANSTAR.

Herd about Super?



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

Play video

Geoff Geue wins quiz prize.

Congratulations to Queensland member **Mr Geoff Geue** for correctly answering the quiz questions in the last edition. Geoff 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 to these questions in this edition of **iFocus Super**.

Entries close **31 December 2016**. Just send your answers and details below to: AMIST Super Quiz GPO Box 4293 Sydney NSW 2001 or Fax to: 02 9230 1111.



Are you still paying triple tax on your super? Stop it now!



If we don't have your tax file number (TFN):

- You'll be paying the top rate of tax on all super contributions (rather than the normal 15%)
- You won't be able to make any extra contributions to your super,
- You won't be eligible to receive additional contributions through the Government Co-contribution scheme.

Plus, we're planning to run lost super searches and if we don't have your TFN, we won't be able to find any lost super you may have.

So go on! Call the **AMIST Super Hotline** or visit the website to give us your TFN and stop wasting your money today!

1. On what date did weekly investment switching commence?
2. Are Concessional Contributions to super made before-tax or after-tax? Before After
3. What does LISC stand for?
4. Who is AMIST Super's Client Liaison Manager?
5. What account did Mark Beecham log onto to find his super?
6. What does Brexit stand for?
7. Name the new British Prime Minister.
8. With Income Protection insurance, how much of your pay could be replaced if you need to make a claim?
9. Name the award recently won by AMIST Pension.
10. In what year was financial advice over the phone introduced?

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

Name: AMIST Super Member No:

Address:

State: Postcode: Phone:

Email:

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