adding power to your financial future

ELECTRICITY INDUSTRY SUPERANNUATION SCHEME

Wired

electricity industry superannuation scheme // news

MARCH 2018

Inside this edition:

SUPER RATINGS

SUPERRATINGS GOLD 2018 CHOICE SUPER

SUPERRATINGS GOLD 2018 PENSION

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Would your spouse like to join EISS?

A member of any Division of EISS (including retained members) can nominate their spouse to join the Accumulation (Division 5) section of the Scheme. Contributions into a spouse account can come from the nominating member or the spouse (subject to the 'work test' if over age 65) or the spouse's employer, as well as rollovers in from the spouse's other super funds. Spouse members enjoy the same advantages as other Division 5 members – no admin fees, competitive investment returns, a full range of investment options, and personalised service. We are also in the process of negotiating insurance cover for spouse members too – watch this space!

If you want to open up an account for your spouse, call our Helpline on 1300 307 844 and we can help you through the paperwork. For more information, download a copy of the Accumulation Scheme booklet from the EISS website (look under 'Forms and Publications').

Want to chat about your super?

It is important to the EISS Board that our members maximise their superannuation benefits and understand their choices in the lead up to retirement. That is why in 2018 EISS will be on site at more locations, more often! We now have regular appointment days at SA Power Networks (Keswick & Marleston), ElectraNet and AGL, and are also scheduled to attend most metro and regional depots.

To find out when we will be at your work location, or to make an appointment at our offices, please email inquiries@electricsuper.com.au or call 08 8224 6400.

Investment Returns

The latest investment returns can be found on the EISS website at www.eiss.superfacts.com

As at 31 January 2018, the financial YTD investment returns (after tax and investment fees) were:

High Growth	Balanced Growth	Conservative Growth	Cash
9.85%	7.57%	4.07%	0.85%

For comparison, the SuperRatings median Balanced fund to 31 January 2018 returned 6.4%.

For account-based pensioners, the financial YTD investment returns to 31 January 2018 (including tax rebates) were:

High Growth	Balanced Growth	Conservative Growth	Cash
10.95%	8.54%	4.69%	1.01%

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STREET ADDRESS
Level 1, 70 Pirie St
Adelaide SA 5000

POSTAL ADDRESS
GPO Box 4303,
Melbourne VIC 3001

Changes to Investment Objectives – Conservative Growth option

Following consultation with the EISS Investment Committee and JANA, the Scheme's investment advisor, the Board agreed to amend the investment objectives of the Conservative Growth option to reflect the likelihood of achieving the objective given the medium term investment outlook. The revised objective is to exceed the Consumer Price Index (CPI) by 1.5% pa over a 10 year period. (Previously the objective was to exceed CPI by 2% over a 3 year period.) The suggested minimum timeframe for investing in the Conservative Growth option is 3 years.

The Board also approved a change to the asset allocation of the Conservative Growth option as follows:

	Previous Asset Allocation	Change	New Asset Allocation
Australian Equities	10%		10%
Overseas Equities	10%		10%
Unlisted Property	10%		10%
Alternatives	10%	+5%	15%
Fixed Interest	30%	-5%	25%
Cash	30%		30%
	100%		100%

This update is for information purposes only and no action in required on your part unless you wish to change your chosen investment option.

Beneficiary nominations – important update

A reminder to all members – in the event of your death, the Trustees of the Scheme are not obliged to follow the terms of your will when deciding who receives your EISS death benefit. (The terms of your will may be *considered* but are not binding on the Trustee.)

The simplest way for you to specify who is to receive your death benefit is to make a valid binding death benefit nomination and keep it up-to-date. A valid nomination lasts for three years (unless you amend it earlier), and we also send a reminder to you when your current nomination is due to expire. In the absence of any such nomination, the Trustee will determine the final recipient of the benefit.

(For members in the Lump Sum Scheme (Division 2), if a valid nomination form is not held by the Scheme, there are default Scheme Rules which determine who the benefit will be paid to.)

Important update for Pension Scheme (Division 3) members – following a change to the Scheme Rules in December 2017, members of the Pension Scheme (Division 3) are now able to nominate a preferred beneficiary for any **non-pension benefits** (including lump sums arising from additional voluntary contributions or excess member contributions). This applies to non-pension benefits only – the payment of any pension (or commuted pension) benefits will continue to be in accordance with Scheme Rules. Division 3 members will soon receive a beneficiary form by post, or they can download a form from the website, as explained below.

If you wish to make a valid nomination, download a 'Binding Death Benefit Nomination' form from the Scheme website (look under 'Forms and Publications') and follow the instructions carefully. It only takes a few minutes – but may save your loved ones from some added stress during a difficult time.

Are you affected by the new $1.6m limits?

As previously advised, from 1 July 2017, the Government introduced a $1.6m transfer balance cap on the total amount of superannuation savings that can be transferred to a tax-free 'retirement phase account' in order to receive a pension income stream. (There continues to be no limit on how much superannuation can be held within accumulation-style accounts.) The transfer balance cap starts at $1.6m for 2017/18 and will increase over time with CPI rates (but in $100,000 increments).

As a result, all super funds are obliged to report to the ATO any amounts that you hold in, or transfer to, a retirement phase account – this is called your 'Transfer Balance Account' (or TBA). The ATO keeps track of this TBA value and if it exceeds the above cap, you will be liable to pay more tax unless you withdraw the excess (or transfer it back to an accumulation-style account).

Also, for members prior to retirement, the ATO requires all superannuation funds to report an annual 'Total Superannuation Balance' (or TSB) for each individual. Should your total TSB **(from both your EISS and non-EISS funds combined)** exceed the $1.6m cap, then your non-concessional (post-tax) contribution cap reduces from $100,000 per year to zero. This means that any non-concessional contributions that you make after 1 July 2017 will be taxed at very high rates.

To find out what has been reported to the ATO on your behalf, you need to access your MyGov account (go to www.humanservices.gov.au to sign in or create an account). **If you believe that you may be affected by the above limits**, and we haven't already discussed it with you, please contact the EISS Helpline on 1300 307 844 as soon as possible.

New legislation for First Home Super Saver Scheme and Downsizer Contribution Scheme

The Government recently passed legislation on two new super-related measures as part of their housing affordability package.

The **First Home Super Saver Scheme** (FHSSS) will allow first-home buyers to save for a deposit inside their superannuation account. Savers will be able to contribute up to $15,000 a year (within existing caps) and up to $30,000 in total and then be able to withdraw the contributions along with deemed earnings in order to help fund a deposit on their first home.

The FHSSS is to commence from 1 July 2018 but voluntary contributions made from 1 July 2017 will be eligible. The FHSSS will largely be administered by the ATO, who will calculate the balance of the notional FHSSS 'account'. On instruction from the ATO, super funds are to release monies from the member's super account, with the ATO responsible for deducting estimated tax and paying the net amount to the member.

The **Downsizer Contribution Scheme** will allow Australians aged 65 years or over to make non-concessional contributions of up to $300,000 from the proceeds of selling their main residences to their superannuation accounts. Downsizer contributions will be able to be made regardless of the other contribution caps and restrictions that might apply to making voluntary contributions. Eligibility conditions include that the contributions arise from the proceeds from a contract for the sale of a main residence entered into on or after 1 July 2018 and that the home sold must have been held for a minimum of ten years (but only needs to have been the main residence for some portion of this).

More information on both Schemes can be found on the ATO website (www.ato.gov.au/Individuals/Super)

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 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 sick, or whether changing your contributions will reduce your benefits, or anything like that, ring Mel, Nic, 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@electricsuper.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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