

FAQs about super

This fact sheet provides answers to some of the most frequently asked questions we receive from our members.





How much super do I need?

This depends very much on your personal financial circumstances and the quality of life you would like in retirement. Research conducted by super industry body ASFA is a good starting point.

The **ASFA Retirement Standard** estimates the annual budget needed by Australians to fund either a **comfortable** or **modest** standard of living in retirement. It is updated quarterly to reflect inflation, and provides detailed budgets of how much singles and couples would need to support their lifestyle.

Estimated annual budget needed by Australians to fund retirement

Expense type (weekly)	Couple 		Single 	
	Comfortable lifestyle	Modest lifestyle	Comfortable lifestyle	Modest lifestyle
Housing	\$121.69	\$111.73	\$116.41	\$99.39
Energy	\$59.05	\$50.48	\$47.62	\$37.59
Food	\$204.69	\$168.8	\$117.77	\$91.09
Clothing and footwear	\$49.95	\$38.16	\$26.82	\$20.08
Household goods and services	\$89.96	\$39.09	\$73.01	\$33.25
Health services	\$187.17	\$94.04	\$100.05	\$48.78
Transport	\$153.90	\$92.89	\$141.80	\$86.91
Leisure	\$272.65	\$146.86	\$181.58	\$93.67
Communications	\$30.68	\$21.23	\$23.57	\$18.85
Total per week	\$1,169.75	\$763.36	\$828.63	\$529.61
Total per year	\$61,061	\$39,848	\$43,255	\$27,646

Source: Association of Superannuation Funds of Australia, March quarter 2018. These numbers are updated on a quarterly basis. For the latest figures, go to www.superannuation.asn.au/resources/retirement-standard

If you're concerned that you won't have enough super, there are things you can do to get your savings on track. Visit the Super section of our website for some ideas.



You can also talk to one of our financial planners over the phone or face to face. Go to firststatesuper.com.au/advice to book a call back from a planner.

When can I withdraw my super?

If you **retire permanently** after reaching your preservation age, you can access all your super as either a lump sum or an income stream (pension).

If you **reach your preservation age but don't retire**, you can access your super as a transition to retirement income stream (pension) but generally not as a lump sum. There are rules governing for minimum and maximum amounts you can withdraw as a transition to retirement income stream. Refer to our *Member Booklet* for transition to retirement income stream members.

If you **leave an employment arrangement after you reach 60**, you can also access all your super. But if you have another job at the time or start working again, any money you save in super from that time, including earnings, will be preserved. You can access this when you leave an employer again, reach 65 or start a transition to retirement income stream.

When you **turn 65**, you can access all your super as either a lump sum or an income stream.

There are other circumstances, such as severe financial hardship, when you may have access to your super, although strict conditions apply. See our fact sheet *Accessing your super* available on our website and from customer service.

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
After 30 June 1964	60

When are super accounts transferred to the ATO?

There are two circumstances when your super account might be transferred to the Australian Tax Office:

- if you have **unclaimed super**
- if you have a **low-balance inactive** super account.

Unclaimed super

Twice a year, super funds are required to report and pay **unclaimed super accounts** to the ATO. The ATO uses this information to update its **Superannuation Unclaimed Money Register**, which you can view online at the ATO's website. Where possible, the ATO will match unclaimed accounts with a tax file number (TFN). Check the register to see if you have unclaimed super money.

The most common type of unclaimed super are the accounts of members **who have turned 65**. Once you reach 65, you can start a pension or access your benefit in cash at any time.

If you are 65 years or older, your super account will be 'unclaimed' if:

- no contributions or rollovers have been received for two years; **and**
- it has been five years since you last contacted us; **and**
- we are unable to contact you after making reasonable efforts.

Benefits for the following members may also be transferred to the ATO:

- 'inactive' members (no contributions or rollovers have been received into your account in the last five years) or 'uncontactable' members (your fund does not have your current address and has been unable to contact you, and you have had no contributions or rollovers into your account in the last 12 months) who cannot be properly identified

- former temporary resident members who have departed Australia
- deceased members whose benefits cannot be paid following death
- a spouse who is entitled to a benefit split.

Low-balance inactive accounts

From 1 July 2019, super funds are required to report and transfer **inactive low-balance accounts** to the ATO twice a year. A super account is an inactive low-balance account if **all** the following criteria are met:

- the account balance is less than \$6,000
- no contribution or rollover received for 16 months
- the member has not met a condition of release
- the account is not a defined benefit account
- there is no insurance on the account
- the fund is not an SMSF or small APRA fund.

However, an inactive low-balance account will be deemed 'active' if – within the last 16 months – you have:

- made a contribution to your account
- changed your investment options
- changed your insurance cover
- made or changed a binding beneficiary nomination
- notified the ATO in writing that you are not a member of an inactive low-balance account.

 For more information, visit the ATO website [Types of unclaimed super](#).



What happens to my account if it is paid to the ATO?

If your account is transferred to the ATO, you will no longer be a member of First State Super and any insurance cover you may have with us will stop. You can claim the money from the ATO at any time. Generally, you will need to meet a condition of release to have this money paid to you in cash. Otherwise, it will need to be transferred to an eligible superannuation fund, such as First State Super.

How can I stop my account being transferred to the ATO?

There are five ways to keep your account with First State Super and stop it being transferred to the ATO.

1. Notify the ATO

You can authorise us to advise the Australian Taxation Office (ATO) that your account is active and you would like to stay with First State Super.

Simply complete the *Inactive low-balance account authorisation* form and send it back to us. We'll then notify the ATO on your behalf and your account will remain with us.

2. Make a contribution to your account

Activate your account by **making a contribution** or asking your employer to contribute to your account. The easiest way to contribute is via BPay®.

Bill code: 736850

Customer reference number: log in to your online account or check your latest statement.

3. Combine your super into your account with us

Go to our **Consolidate your super** page on our website to combine any super you have with another fund into your account with us.

4. Opt in to keep your cover

You can opt in for insurance cover by either:

- going to the **Protecting your super** page on our website and **opting in online** OR
- filling in the *Insurance opt-in election* form and mailing it to us.

By opting in, you're choosing to keep all your insurance. If you only want to keep some of your insurance, you should opt in and then call us to cancel any cover you no longer need.

5. Make or change a binding beneficiary nomination

If you make a **binding beneficiary nomination** or change an existing nomination, your account will no longer be inactive.

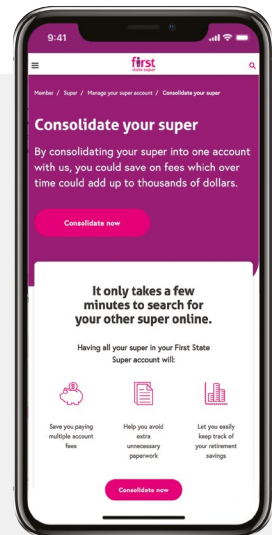


How do I know if I have lost super or other super accounts?

Having lost or multiple super accounts can be costly. Every fund charges fees so the more accounts you have, the more fees you pay. You can avoid paying unnecessary fees, reduce your paperwork and have greater control over your super by combining your money into a single account.

We make this process easy. We have an online service that allows you to search for lost super and combine multiple accounts into your First State Super account. To use the service, go to firststatesuper.com.au/combine.

Remember, before you withdraw your super from another fund, check to see if you will pay any fees or charges (including exit fees) or lose any benefits such as insurance cover.



It only takes a few minutes to search for your other super online

How can I make contributions to my super?

There are a few different ways you can add money to your super account.

You can contribute by:

- ➔ BPAY®
- ➔ electronic funds transfer
- ➔ direct debit (including spouse contributions)
- ➔ payroll deduction
- ➔ cheque (including spouse contributions)

Unless you contribute via BPAY, you will need to complete and submit a form, which you can download from firststatesuper.com.au/forms.

If you wish to make personal contributions by payroll deduction, you should talk to your payroll office.

You can set up a direct debit which automatically tops up your super account each month by logging into your online account or completing the *Direct debit request form*.

® Registered to BPAY Pty Ltd ABN 69 079 137 518

How can I switch my investment option?

You can make different choices for your existing account balance and future contributions by switching investment options.

If you want to switch, simply login to your account online or go to firststatesuper.com.au/forms and download the *Investment choice (superannuation)* form.

There is no charge for switching your account balance.

Important: Switching can be a useful strategy but it's possible that switching into a more conservative option after a market downturn could mean that you miss out on any market recovery. So before you switch, make sure you consider your decision very carefully. As a member, you can access financial advice about a range of topics in relation to your super account, including choosing an investment option that's right for you. The cost of your first appointment is covered by your annual membership fee. Call us to make your appointment.

How much tax will I pay on my super when I retire?

All withdrawals from super from the age of 60 are tax free. Before age 60, you may have to pay tax when you withdraw money from your super.

The amount of tax will depend on your circumstances including:

- ➔ your age
- ➔ the components of your benefit
- ➔ whether you have provided your tax file number
- ➔ how you choose to receive your benefit (as a lump sum, income stream or a mix).





How much tax will I pay if I take my super as a lump sum?

The table below shows the tax you'll pay if you choose to take your super as a lump sum.

Age or circumstance	Taxable component	Tax-free component
Total benefit under \$200	Tax free	Tax free
Under your preservation age	Taxed at 20% plus Medicare levy	Tax free
Your preservation age up to age 59	Tax free up to the low rate threshold of \$210,000 for 2019-20 and 15% tax plus the Medicare levy on amounts above this threshold	Tax free
Age 60+ ¹	All benefits from a taxed fund such as First State Super are tax free	

¹ Different rates of tax apply to former temporary residents who have departed Australia and death benefits paid as a lump sum.



Can I claim a tax deduction for personal contributions to my super?

From 1 July 2017, if you are aged between 18 and 65, you can claim a tax deduction for personal contributions regardless of your work situation. But remember to keep your total concessional contributions under the cap. You'll need to complete an ATO form *Notice of intent to claim or vary a deduction* for personal super contributions form which you can find at firststatesuper.com.au/forms.

If you are aged between 65 and 74, you must satisfy the work test, which requires that you work at least 40 hours during a consecutive 30-day period in the financial year immediately preceding the financial year that you make the contribution.

How do I get my employer to contribute to my First State Super account?

You can ask your employer to send your superannuation guarantee contributions to your First State Super account.

Just complete a *Superannuation standard choice* form and give this form, together with a First State Super *Complying Superannuation Fund Notice*, to your employer.

You can also ask your employer to make salary sacrifice payments from your before-tax salary by completing the *Contributions by payroll deduction* form. Not everyone offers salary sacrifice so check with your employer first.

All forms and the *Complying Fund Notice* are available at firststatesuper.com.au/forms or by calling us.

How do I access my First State Super account online?

Go to our home page and click on the 'Login' icon in the top right hand corner of the page and follow the prompts. Or go directly to firststatesuper.com.au/login.

How often are statements sent out?

Each year, members will receive an annual statement for 30 June.

Your annual statement will show:

- contribution amounts
- fees and expenses
- insurance cover
- your nominated beneficiaries.

Along with your statement, we'll also send you a copy of *SuperNews*, our member magazine.

We're here to help!

☎ 1300 650 873

✉ enquiries@firststatesuper.com.au

✉ PO Box 1229
Wollongong NSW 2500

www.firststatesuper.com.au

Super can be quite complicated and sometimes you just want to know that you're making the right decisions. Because the right decisions about your super can make a real difference to your financial future.

So if you've got any questions, or you just want the comfort of knowing you're on the right track, getting some advice can help.

StatePlus¹ is our financial planning business and is wholly owned by us. The team at StatePlus can answer simple questions about your super over the phone, or if your situation is more complex, prepare a full financial plan for you. It's all up to you, no obligation. Book online at firststatesuper.com.au/advice or call 1800 620 305 (Monday to Friday 8.15am to 8.15pm AEST/AEDT) to arrange an appointment.

¹ Financial planning services are provided by our financial planning business, State Super Financial Services Australia Limited, trading as StatePlus ABN 86 003 742 756 AFSL No. 238430. StatePlus is wholly owned by First State Super.

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