SUPER SA
contributing to your future

This document forms part of the Product Disclosure Statement dated 30 September 2020

Flexible Rollover Product
Reference Guide

Date of issue: 12 October 2020

Let’s talk about your Super

Welcome to the Super SA Flexible Rollover Product (FRP) Reference Guide. This guide forms part of a suite of documents where you’ll find all the information you need to develop a better understanding of the FRP. Please read the FRP PDS, Reference Guide, Investment Guide and Insurance fact sheets so you can make informed choices when it comes to your superannuation.

There’s a lot of Super-speak and financial terminology, but we’ve tried to keep it as clear and simple as possible, so you’ll walk away Super-aware and empowered to make good decisions that will positively impact your financial future. Because we’re here to help you live your best life in your retirement years.

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1. How the Super SA FRP works

While most people can choose which super fund they would like their super paid into, South Australian Government employees are members of a State Government super scheme. Because these schemes have rules which are a little bit different to other regulated funds, Super SA has created specialist products like the Super SA FRP to enable our members to enjoy the benefits of being a member of a deferred tax fund (such as Triple S), while still having access to the Government incentives available for regulated taxed funds.

Although the Super SA FRP does not accept Superannuation Guarantee contributions you can contribute non-super monies to keep your investment growing.

BENEFITS OF AFTER-TAX CONTRIBUTIONS

How do I make extra contributions?

You can invest additional one-off contributions in the Super SA FRP. The minimum amount for additional contributions is $1,000 and the maximum is limited to the non-concessional contribution cap as set by the Commonwealth Government. If your Total Super Balance is over $1.6m your non-concessional cap will be $0. (See heading adjacent for explanation of Total Super Balance.)

A $100,000 limit applies to after-tax contributions per financial year.

If you are aged under 67 years at any time during a financial year, you can access 'bring forward' provisions and contribute up to $300,000 over 3 financial years[1].

After-tax contributions you make to other super schemes (e.g. Pension Scheme, Lump Sum Scheme or personal funds) will be counted towards the contribution limit. If you breach these limits you will be taxed at the highest marginal rate on the excess amount after being given the opportunity to remove those funds.

There is no cost to investors who choose to make contributions other than the normal Super SA FRP administration fees and costs.

You may make additional contributions if:

- you are under age 67, or
- you are aged between 67 and under the age of 75 and worked at least 40 hours in 30 consecutive days during the financial year.

After establishing your Super SA FRP account, you can make contributions by:

1. Completing a Super SA Flexible Rollover Product Contribution (One-Off) form and returning it to Super SA.
2. Making a contribution via BPAY using biller code **31575** (or **31567** for eligible spouse contributions). Contact Super SA on 1300 369 315 to obtain your BPAY Reference Number.

Other considerations

After-tax contributions you make to other super schemes (eg Pension Scheme, Lump Sum Scheme or personal funds) will be counted towards the contribution limit.

If the limit is exceeded in any financial year, tax will be payable on the excess at the highest marginal tax rate unless you remove the excess after-tax contributions from your super fund. If you choose to keep the excess after-tax contributions in your super fund you will still be required to remove an amount equal to the tax liability from the super fund.

Payments received from the Commonwealth Government as part of the co-contribution scheme do not count towards the contribution limits.

Total Super Balance

Individuals with a total super balance of $1.6 million or above will have a non-concessional contribution cap of $0. The total super balance includes all super accounts, including those in retirement phase. Lifetime pensions have a balance determined in accordance with a formula set by the ATO. If your total super balance is over $1.6 million on 30 June, your concessional contribution cap for the following financial year is $0.

Downsizer contributions

Members aged 65 or over can make a 'downsizer contribution' of up to $300,000 if you sell your primary residence that you've owned for at least 10 years. Your spouse may also be able to make a similar contribution. The sale of your home needs to be made after 1 July 2018 and your downsizer contribution needs to be made within 90 days after the change in ownership. A form is available on **www.ato.gov.au** which needs to be submitted to Super SA at the time the contribution is made.

First Home Super Saver Scheme (FHSSS)

The First Home Super Saver Scheme (FHSSS) allows first home buyers to take advantage of the tax-effective nature of the super environment to save towards buying a home. If you are a first home buyer and meet the ATO's other criteria, any voluntary after-tax contributions you make to your Super SA FRP account may count towards your FHSSS balance. The FHSSS is administered by the ATO and you can find more information about eligibility, along with other conditions and criteria of this scheme at **www.ato.gov.au**.

[1] Subject to transitional arrangements. Please visit www.ato.gov.au for more information.

Get calculating!

If you'd like to see the effect personal contributions may have on your final entitlement, access the Super SA Projection Calculator on the Super SA website at **www.supersa.sa.gov.au.**

The Projection Calculator lets you choose your own parameters so you can see the differences your choices and different investment conditions might make to your final retirement entitlement.

THE SUPER SA FRP AND SOCIAL SECURITY

If you have invested in the Super SA FRP and are claiming a benefit from Centrelink or the Department of Veterans' Affairs (DVA), you may find that the balance in your account affects your level of benefit.

If you are applying for or receiving a benefit from Centrelink or the DVA, it is important that you consult with your Centrelink or DVA representative to discuss your particular financial circumstances.

OPENING A SUPER SA FRP ACCOUNT FOR YOU OR YOUR SPOUSE

Step 1

Read the Super SA Flexible Rollover Product PDS to decide whether you are eligible and would like to create a Super SA FRP account. You may also want to:

- attend a Super SA pre-retirement workshop
- seek the assistance of a professional financial adviser
- consult with a Centrelink Financial Information Service (FIS) officer on 13 23 00 about your Centrelink entitlements
- consult with the Australian Taxation Office (ATO) on the Superannuation Infoline on 13 10 20 for super tax issues relating to your particular circumstances.

Step 2

Complete both the Application to Purchase form and Investor Contribution form at the back of the Super SA Flexible Rollover Product PDS. We will also require a certified proof of identity document to accompany your application.

To establish a Super SA FRP account, a minimum contribution of $1,500 is required. This can be made via electronic funds transfer (EFT) directly to Super SA, or by rolling in funds from another superannuation provider.

To establish your Super SA FRP via EFT, contact Super SA on 1300 369 315 to get our bank transfer details.

If rolling in from another super fund, please submit a Super SA Easy Roll-In form with your application, available to download from **www.supersa.sa.gov.au**.

Step 3

Once you have completed the relevant forms, send the signed originals to:

Super SA – Super Products
GPO Box 48
Adelaide SA 5001

Super SA will process your completed paperwork and you should receive confirmation within five working days, with the exception of rollovers. If you have requested that amounts be rolled over from other super funds it may take from four to six weeks for us to receive your funds.

Once an account is established you are able to make personal contributions into your account, or your spouse can make eligible spouse contributions into your account. Please note that Super SA cannot accept regular employer contributions into a Super SA FRP account.

To establish your Super SA FRP account, payment can be made by EFT. To obtain our bank transfer details, please contact Super SA via email at **supersa@sa.gov.au** or call us on 1300 369 315.

GOVERNMENT CO-CONTRIBUTIONS

You may also be eligible to receive the Commonwealth Government's co-contribution, depending on your income.

You might think it's too good to be true, but if your total income is less than $54,837 in a financial year and you make after-tax contributions to your super in the same year, the Commonwealth Government will contribute up to $0.50 for every $1.00 you contribute, to a maximum of $500.

To receive the maximum amount your total income must be $39,837 or less and you must contribute at least $1,000.

Check out the table below to see how much you might be entitled to[2]. The minimum amount you can receive is $20.

Eligibility for Government co-contribution				
	If your after-tax super contribution is:			
	$1,000	$800	$500	$200
And your total income is:	**Your super co-contribution will be:**			
$39,837 or less	$500	$400	$250	$100
$40,837	$467	$400	$250	$100
$42,837	$400	$400	$250	$100
$44,837	$333	$333	$250	$100
$46,837	$267	$267	$250	$100
$48,837	$200	$200	$200	$100
$50,837	$133	$133	$133	$100
$52,837	$67	$67	$67	$67
$54,837	$0	$0	$0	$0

Qualifying for a co-contribution

To receive the Government's co-contribution you need to satisfy all of the following conditions:

You must

- Make at least one eligible after-tax super contribution during the financial year to a complying super fund. All Super SA schemes are deemed complying
- Have a total income of less than $54,837
- Not have held an eligible temporary resident visa at any time during the year
- Be less than 71 years of age at the end of the financial year in which you made your personal contribution
- Have at least 10% of your total assessable income and reportable fringe benefits attributable to eligible employment (as determined by the ATO)
- Lodge a tax return
- Provide your tax file number to Super SA.

Timing of payments

We send the information concerning your after-tax contributions to the ATO by 31 October each year.

When the ATO has received this and you have lodged your personal tax return, they will match the data to work out the co-contribution you are entitled to receive. Then the co-contribution amount will be sent to Super SA to be credited to your super account.

Any enquiries in relation to the co-contribution being paid should be directed to the ATO **www.ato.gov.au**.

Accessibility of co-contributions

Co-contributions will be preserved in the product and can be accessed when you meet the Commonwealth's conditions of release, generally when you reach your preservation age (refer to Glossary of terms for further details) and are permanently retired.

[2] For the 2020–21 financial year.

OTHER CONSIDERATIONS

How to consolidate into the Super SA FRP

If you haven't always worked for the SA Government and have had more than one employer, chances are you've got more than one super fund. If you'd like to have all of your super money in one place, it might make sense to roll your money into the Super SA FRP.

HOW TO

CONSOLIDATE THROUGH MYGOV

- Sign in or create a myGov account and link it to the ATO.
- Go to the 'Super' tab to view details of your super accounts and then click on 'Transfer'.
- Super SA FRP details:

  ABN 11 635 839 852
  USI 1163 5839 8520 01
- You will be able to see your super funds and choose which accounts you want to roll into Super SA.
- In myGov Super SA is listed as 'The Trustee for Southern State Superannuation Scheme'.

CONSOLIDATE THROUGH SUPER SA

- Complete one Easy Roll In form for each super account you want to roll in.
- Send your form(s) to Super SA and we will organise the transfer with your other super fund(s).

Accessing your rollover

The Super SA FRP allows you to invest your super while maintaining access to your non-preserved monies.

Any part of your rollover that was subject to preservation before it was transferred to the Super SA FRP will remain subject to the Commonwealth Government preservation requirements.

Preserved benefits are entitlements that can only be accessed when you have permanently retired from the workforce and reached your preservation age. See the Accessing your funds from Super SA FRP section for more information.

SPOUSE MEMBERS AND SPOUSE ACCOUNTS

Setting up a Spouse Account

You can grow your spouse's super by creating a Super SA FRP account for your spouse. You are not required to establish your own Super SA FRP account in order to establish a Spouse Account. You also do not have to establish a Spouse Account at the same time you establish your own Super SA FRP account. You can choose to do so at a later date.

Spouse members can receive spouse contributions prior to age 75, Government co-contributions, rollovers, make personal after-tax contributions and apply for voluntary Death Only Insurance.

Eligibility to establish a Spouse Account

If you are eligible to establish a Super SA FRP account for yourself, you may also be able to establish an account for your spouse/ putative spouse[3] in their name.

If you are a current spouse member in Triple S or have received an entitlement as a spouse member from Triple S you are also able to establish a Super SA FRP account as a spouse member.

A Spouse Account can be established with a minimum starting balance of $1,500 by:

- a personal contribution by the spouse (by EFT)
- a spouse contribution made to the Spouse Account, or
- a rollover from the spouse's previous super fund.

[3] Refer to Beneficiaries section for definitions

Understanding your Spouse Account

A Spouse Account may be made up of:

- a Spouse Contribution Account for personal after-tax contributions made by the spouse member and eligible contributions made by a Super SA member in favour of their spouse
- a Rollover Account for rollovers from complying super funds and all superannuation lump sums received through contribution splitting
- a Co-contribution Account for any Commonwealth Government co-contributions.

There is a cap of $100,000 each financial year on the total amount that can be contributed after tax to the Spouse Account which includes any contributions received from your spouse. If your eligible spouse is under age 65 during the financial year, they may be able to bring forward the limit for two years to contribute up to $300,000 in one year.

After-tax contributions made to other super schemes (eg Pension Scheme, Lump Sum Scheme or personal funds) will be counted towards the contribution cap.

If the cap is exceeded, the spouse member will be taxed at the highest marginal rate on the excess amount, after being offered an opportunity to remove the excess funds. If the spouse members marginal tax rate is lower, they may be eligible for reduced tax when their next tax return is lodged.

Advantages of establishing a Spouse Account

Your spouse will enjoy all the benefits of being a Super SA FRP investor, including:

- the ability to make personal contributions. Once a Spouse Account is established your spouse can contribute to their own account with personal after-tax contributions
- access to the Super SA Income Stream
- choice of investment options
- low fees
- the ability to roll over entitlements from other super schemes
- tax-effective investing as earnings and entitlements are taxed at concessional super rates
- access to Death Only Insurance.

Refer to the Flexible Rollover Product Product Disclosure Statement (PDS) for more information about the Super SA FRP.

Spouse Accounts – your questions answered

What is the spouse superannuation contributions tax offset?

If you make contributions to your spouse's account you may be eligible to claim the spouse contribution tax offset through your tax return.

This is an 18% tax offset that may apply if super contributions of up to $3,000 are made on behalf of a non-employed or low income earning spouse (married or de facto) earning less than $37,000 in assessable income plus reportable fringe benefits. For spouses earning more than $37,000 the tax offset reduces and no offset is available when earnings exceed $40,000. The maximum tax offset allowed is $540.

To be eligible to claim the tax offset:

- Your spouse must meet the Commonwealth Government's definition of spouse.
- You must make contributions directly into your spouse's account.
- Your spouse's assessable income plus reportable fringe benefits for that financial year must be less than $40,000.
- You must both be Australian residents (for Australian tax purposes) at the time you make the contributions.

More information about the spouse superannuation contributions tax offset can be obtained from the ATO website at **www.ato.gov.au** or by phoning the Superannuation Infoline on 13 10 20.

What preservation conditions apply to Spouse Accounts?

All contributions made to a Spouse Account will be preserved until the spouse reaches their Commonwealth Government preservation age. Commonwealth Government preservation age is between ages 55 and 60, depending on when they were born. Refer to the Accessing funds from Super SA FRP section of this Reference Guide and the Flexible Rollover Product PDS for more details.

If your spouse has never worked in Australia, spouse contributions are preserved until age 65, other than for entitlements paid in the event of total and permanent disablement or death.

How do I make future contributions to my or my spouse's account?

Contributions are made via BPAY.

Contact Super SA on 1300 369 315 to obtain your BPAY Reference Number and use biller code **31575** (or **31567** for eligible spouse contributions).

1. How the Super SA FRP works (continued)

What happens to a spouse member's super if they die?

Should the spouse member die, the entitlement will be paid as a lump sum to their spouse/putative spouse, or if there is no spouse/putative spouse, to the Estate. If they have nominated a Legal Personal Representative (Estate) then the entitlement will be paid to the Estate and distributed according to the Will or the Statutes. For more information about Legal Personal Representatives, please refer to the Beneficiaries section of this Reference Guide.

The death entitlement is made up of:

- the balance of the Spouse Account, plus
- investment earnings, plus
- an insurance component (if any)
- minus any outstanding fees and premiums.

How are spouse contributions treated for tax purposes?

Spouse contributions are included in your tax free component.

Can any super entitlements be transferred directly from my super account into my partner's Spouse Account?

No, super entitlements cannot be split between spouses, except under the provisions of the *Family Law Act 1975*.

Generally super entitlements can only be moved from one person to another by first withdrawing the amount in cash and paying the appropriate lump sum tax liability.

Once the amount is in cash (eg held in a bank account) it may be possible to then make a contribution back into super as a spouse contribution. This may have significant tax implications and Super SA recommends that you seek financial and tax advice before undertaking such a strategy.

Can my employer contribute to my Super SA Flexible Rollover Product account?

No. The Super SA FRP cannot receive any employer contributions or salary sacrifice contributions.

Can I claim a tax deduction for personal contributions made to my Flexible Rollover Product account?

Yes. To claim a tax deduction for your personal contributions, you need to complete and lodge a Notice of Intent to Claim or Vary a Deduction for Personal Super Contributions form with Super SA. You can access this form on the ATO website, **www.ato.gov.au**.

Further information

The Flexible Rollover Product PDS, the Income Stream PDS and Insurance fact sheets may be of particular assistance if read in conjunction with the information presented in this Reference Guide. You may also wish to attend a Super SA Seminar, or seek independent financial advice.

2. Fees and costs

FEES AND COSTS SUMMARY

This section explains fees and other costs that you may be charged. These fees and other costs may be deducted from your account, from the returns on your investment or from the assets of the FRP as a whole.

Other fees, such as activity fees, advice fees for personal advice and insurance fees may also be charged but these will depend on the nature of the activity, advice or insurance chosen by you.

Exit fees are not charged.

Information on how super is taxed can be found in the How Super SA FRP is taxed section of this Reference Guide. Insurance fees and other costs relating to insurance are set out in the FRP PDS and the Insurance fact sheet.

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

2. Fees and costs (continued)

Flexible Rollover Product Balanced option and other investment options		
Type of fee	**Amount**	**How and when paid**
Investment fee	Nil	No investment fees are charged directly to your account. The applicable investment costs are included in the indirect cost ratio (ICR).
Administration fees	$1.35 per week ($70.20 p.a.) **Plus** 0.05% of your account balance, capped at $325 p.a.[4]	Deducted from your account on a weekly basis. Calculated and deducted from your account on a monthly basis, based on your account balance at the end of each month.
Buy-sell spread	Nil	Not applicable
Switching fee	One free investment switch each financial year. Any additional investment switch will cost $20 each.	The fee for the second and subsequent switches are deducted from your account at the time of the switch. Switching fees are not applied when redirecting future contributions.
Advice fees	Nil	You will only be charged an Adviser fee if you agree to receive financial advice. These fees will be discussed and agreed upon with you.
Other fees and costs		
Indirect cost ratio (ICR)[5]	Ranges from 0.09%–1.01%. The ICR is different for each investment option. See Fees and costs section for details.	Fee deducted from the product's investment returns before earnings are allocated to your account which occurs through unit prices (not directly from your account).

[4] Based on account balance at the end of each month.

[5] The ICR represents investment management costs for the 2019–20 year and varies across investment options. Investment management costs vary from year to year.

PROTECTION FOR LOW ACCOUNT BALANCES

If your FRP account balance is less than $6,000 at the end of the financial year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance.

ADDITIONAL EXPLANATION OF OTHER FEES AND COSTS

Fee or cost	Amount	How and when paid
Family Law fees	Request for Information: $70 per request On splitting of superannuation entitlement: $100 per party	Payable by EFT at the time of the request
Insurance costs	Refer to Insurance Premiums (Refer to relevant Insurance fact sheets)	Cost deducted from your account each week

INVESTMENT FEES

Indirect Cost Ratio

The indirect cost ratio (ICR) includes all costs that are not deducted directly from your account. This includes the cost of managing your investments by specialist investment manager, Funds SA and the Operational Risk Reserve (ORR) fee.

The investment management costs include fund manager fees (including performance fees), asset consulting fees, custodian fees, investment-related legal advisory fees, and an administration fee that covers expenses incurred by Funds SA in managing the funds.

The purpose of the ORR is to maintain adequate financial resources to protect members and the scheme from operational failures.

Investment management costs

The investment management costs cannot be precisely calculated in advance. The amounts may vary from year to year.

The table below includes performance fees and transaction and operational costs. A performance fee is a fee paid to certain managers if their return performs above an agreed benchmark. A performance fee will not be paid if a matching period of underperformance has occurred in that year. Transaction and operating costs include brokerage, stamp duty, transaction settlement costs, clearing costs, buy and sell spreads and other acquisition and disposal costs.

Performance fees, transaction and operating costs are deducted from the assets of the investment option and reflected in the unit price. Members do not directly pay investment fees. Instead, the estimated cost of investment management is incorporated in the Indirect Cost Ratio (ICR) which is deducted from the investment returns of all FRP funds under management as a whole before unit prices are applied to your individual account balance. All super funds are required to specify their investment fees.

Investment fees

For more information on investment options see the FRP Investment Guide at **www.supersa.sa.gov.au**.

The amount you pay for specific investment options [6,7]						
Investment options	**Base ICR**	**Investment performance fees**	**Transaction & operating costs**	**ICR**	**ORR**	**Total ICR**
High Growth	0.77%	0.10%	0.08%	0.95%	0.05%	1.00%
Socially Responsible	0.82%	0.00%	0.14%	0.96%	0.05%	1.01%
Growth[8]	0.74%	0.10%	0.10%	0.94%	0.05%	0.99%
Balanced	0.67%	0.08%	0.10%	0.85%	0.05%	0.90%
Moderate	0.58%	0.06%	0.08%	0.72%	0.05%	0.77%
Conservative	0.43%	0.01%	0.08%	0.52%	0.05%	0.57%
Capital Defensive	0.37%	0.01%	0.06%	0.44%	0.05%	0.49%
Cash	0.04%	0.00%	0.00%	0.04%	0.05%	0.09%

6 The ICR in the Product Disclosure Statement represents investment management costs for the 2019–20 year and varies across investment options. Investment management costs vary from year to year.

7 Borrowing costs, property operating costs and transaction/operating costs are explained in this section.

8 Growth option will no longer be available after 25 January 2021.

Borrowing costs

Borrowing costs may arise where money is borrowed by fund managers, for example to purchase an asset, pay for expenses or in the course of borrowing securities. The borrowing costs for the investment options are estimated to range between 0% and 0.09% for each option. These costs are deducted from the assets of the investment option and reflected in the unit price.

Property operating costs

As part of the ongoing management of property costs, certain expenses are generally incurred throughout the life of the investment, eg council and water rates, utilities, lease renewal costs and general property management costs. The property operating costs for the investment options are estimated to range between 0% and 0.08% for each option. These costs are deducted from the assets of the investment option and reflected in the unit price.

Other transaction/operating costs

These transactional/operating costs (not included in any other category of cost) are related to market impact costs and are estimated to range between 0% and 0.12%. The fees are defined in the Glossary of Terms.

Changes to fees and costs

Occasionally fees and costs may need to rise to cover costs. The Super SA Board^ can increase or alter fees at its discretion without your consent. If there is a change or increase to fees, Super SA will give you 30 day's notice of any changes being implemented. Changes other than fees will be notified within three months of the change.

^ South Australian Superannuation Board.

3. How the Super SA FRP is taxed

While Triple S is a tax-deferred scheme, FRP is a taxed product which means that any previously untaxed funds deposited into an FRP account are taxed at 15% from the Taxable (untaxed) component. FRP remains a superannuation product though, and as such, any funds invested in FRP are taxed concessionally under favourable tax legislation.

Your super may be taxed at three different stages:

- Tax on contributions
- Tax on investment earnings
- Tax on withdrawals.

Tax and contribution limits

Employer contributions or salary sacrifice contributions cannot be paid directly into the FRP.

You may contribute from after-tax income. No tax is payable on these contributions. Please refer to the earlier **Benefits of after-tax contributions** section for other important information.

Rollovers from taxed schemes will not be taxed when received into the FRP.

Tax on investment earnings

The Super SA FRP is required to pay up to 15% tax on its investment earnings. The tax will be applied to the product as a whole and will be reflected in the unit price of each investment option.

Tax on withdrawals

The two main factors that impact how your super is taxed upon withdrawal are:

- the various components that make up your balance, and
- your age when you withdraw.

Names of common tax components of your entitlement		
Names of tax components	**Meaning**	**Example**
Tax free component	Monies already taxed	Contribution to super from net salary
Taxable (taxed) component	Super already taxed	Funds rolled over from a taxed scheme and investment earnings

Tax treatment of lump sum withdrawals	
Your age	**Tax on taxable (taxed) component**
Under Commonwealth preservation age	20% maximum rate (no limit)
Commonwealth preservation age up to age 59	Taxed at 0% up to $215,000[9] 15% tax on balance (no limit)
60 or over	Tax free

Commonwealth Government preservation age	
Date of birth	**Commonwealth Govt 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

Tax and breach of contribution limits

The Commonwealth Government has set certain limits on the amount of concessionally taxed super you can receive. Exceeding these limits will incur the marginal rate plus Medicare levy on the excess amount.

Transfer Balance Cap

The Transfer Balance Cap is the upper limit, set by the Federal Government, on the total amount of super you can transfer into the retirement phase. The Transfer Balance Cap for retirement phase accounts is $1.6 million. If the total of all your retirement phase accounts (such as the Super SA Income Stream) is in excess of the Transfer Balance Cap, you may have to remove the excess from the retirement income phase. You can choose to roll the excess into your FRP account because it is an accumulation account. You can alternatively choose to be paid the excess.

If you have more than $1.6 million in retirement phase accounts, you should seek financial advice.

For further information please call the ATO Superannuation Infoline on 13 10 20 or visit **www.ato.gov.au**.

[9] For the 2020–21 financial year.

3. How the Super SA FRP is taxed (continued)

Division 293 tax for high income earners

If the sum of your income and relevant concessionally taxed contributions is over $250,000 per year, you'll be taxed at 15% of your relevant concessional contributions above the $250,000 threshold. If you are liable for the tax you'll receive notification from the Australian Tax Office (ATO) advising you of the amount payable and your payment options.

Proportioning of entitlements

You cannot select which components you withdraw as a lump sum. If you are under age 60, tax components will be calculated in the same proportion as the components that make up your total account balance.

You cannot select to withdraw only your tax free component and you may need to pay tax on your lump sum withdrawal.

Tax payable upon your death or total and permanent disablement, including terminal illness

In accordance with Commonwealth tax legislation:

If your entitlement is paid	Tax payable
Due to total and permanent disablement	your FRP entitlement will be taxed concessionally
Due to a terminal illness	it will be tax free
If you die	your FRP entitlement is tax free if it is paid to your spouse/putative spouse
If you die but have no spouse/putative spouse	your FRP entitlement will be paid to your Estate. If you have nominated a legal personal representative (Estate) with Super SA, your benefit will be paid to your Estate and distributed according to your Will or the Statutes
Where your Estate then pays your entitlement to your dependants, as defined in tax law	it will be tax free, however if it is paid to a non-dependant, tax will be payable

Personal super contribution deductions

Super SA's FRP investors could be eligible to claim a tax deduction on some super contributions.

If you make any after-tax contributions into your FRP account, regardless of your income level, you could claim a deduction for personal contributions in your next tax return.

If you are aged under 67[10], or between 67 and 74 and meet the Work Test, you are eligible to claim a deduction for the amounts you contribute after-tax, up to your annual concessional cap limit (set at $25,000 combined across all of your super schemes[11]).

You may be eligible to claim deductions for the after-tax amounts you contribute, whether it's a one-off amount or multiple amounts you put into your FRP account through the year.[12]

To claim the Personal Super Contribution Deduction through your tax return, you'll need to lodge a Notice of Intent to Claim a Deduction for Personal Super Contributions form with Super SA. You can find this on the ATO website at **www.ato.gov.au**. Super SA will acknowledge receipt of the form closer to the end of the financial year by sending you a confirmation letter that you can include with your next tax return.

To make sure you can take advantage of these deductions, you must lodge your Notice of Intent before 30 June of the financial year following when you make your contributions or the time you lodge your tax return, whichever is earlier.

[10] If you are under 18 years old, you can only claim a deduction if you earned income as an employee or business operator during the year.

[11] For the 2020–21 financial year.

[12] You cannot claim a deduction for a rolled over super benefit, a transfer from a foreign super fund, a directed termination payment paid into a super plan by an employer under transitional arrangements that applied until 30 June 2012, and/or contributions paid by your employer from your before-tax income.

3. How the Super SA FRP is taxed (continued)

SUPPLYING YOUR TAX FILE NUMBER

This simple step can save you a lot of money.

You've probably provided your tax file number (TFN) to your payroll office but that doesn't always mean they've passed it on to Super SA.

If you're not sure whether Super SA has your TFN on file, check your personal details on your Annual Statement or log into our member portal via the Super SA website.

It's not a legal requirement to provide your TFN but if you don't:

- You may miss out on the Commonwealth Government co-contribution
- When you withdraw your entitlement, your employer and salary sacrifice contributions will be taxed at the highest marginal tax rate
- You'll find it harder to trace your super if you happen to change jobs and lose track of your accounts.

How can I provide my TFN?

Online:
Log into our member portal **www.supersa.sa.gov.au** and update your TFN.

Via post:
Download the Tax File Number Notification form and send it to Super SA.

4. Accessing your funds from Super SA FRP

WHEN CAN I ACCESS FUNDS FROM MY SUPER SA FRP ACCOUNT?

As super represents savings for your retirement there are rules in place restricting access to your super. These are known as Commonwealth Government preservation rules. Preservation is aimed at ensuring your super entitlements are kept for your future. In some circumstances you can access all or part of your super early or before you reach retirement.

Your Flexible Rollover Product (FRP) balance may be made up of the following components:
Preserved component
This type of entitlement cannot be cashed until you meet a specific condition of release.
Restricted non-preserved component
Restricted non-preserved amounts are benefits that employees can be paid on termination of employment. They can also be paid at the time that preserved benefits can be paid.
Unrestricted non-preserved component
This type of entitlement does not require the fulfilment of a condition of release and can be paid to you at any time.
If you take any of your super entitlement, in cash before you reach your Commonwealth preservation age, higher tax is payable. The amount of your preserved and non-preserved entitlements will be detailed on your Annual Statement.

To access your preserved funds you need to meet one of the following requirements:

- you have retired permanently from the workforce having reached your Commonwealth Government preservation age
- you have ceased an employment arrangement after the age of 60
- you reach age 65
- you become totally and permanently disabled
- you have a terminal medical illness
- severe financial hardship
- compassionate grounds
- you die.

Important note: Commonwealth preservation rules are different from preservation rules in Super SA's Triple S, Lump Sum and Pension schemes. You need to be aware of this if you are rolling money out of one of these schemes and into the Super SA FRP.

4. Accessing your funds from Super SA FRP (continued)

SETTING UP AN INCOME STREAM USING FUNDS FROM YOUR FRP ACCOUNT

With FRP, you can roll (including preserved money) into an income stream such as the Super SA Income Stream, and set up a Transition to Retirement (TTR) income stream.

This gives you the option to access your super while still working. If you have reached your Commonwealth Government preservation age and your account balance is $36,500 or above (in the case of commencing a Super SA Income Stream), you are able to take advantage of this arrangement.

This means you can roll over any amount over $30,000 from your FRP account, to an Income Stream, as long you retain $6,500 in your account. However, you cannot take any preserved portion of your super as a lump sum cash payment until you cease employment or reach age 65.

To take advantage of this option, you must:

– Have reached your Commonwealth Government preservation age

– Have a FRP account balance of $36,500 or above.

MAKING WITHDRAWALS

Subject to the Commonwealth Government preservation rules mentioned, you can withdraw some or all of your funds. The minimum amount you can withdraw is $1,000.

Balances under $6,500

- For account balances less than $6,500 you can make one withdrawal every financial year (you also have the ability to subsequently request a full payment and close your account), however a minimum balance of $1,500 must be maintained after each withdrawal.

Balances $6,500 and over

- There is no limit to the amount of withdrawals you can make, however a minimum balance of $6,500 must be maintained after each withdrawal.

If you request a withdrawal that will take you below the required minimum balance of $6,500 Super SA will contact you to ascertain if you wish to close your account or amend your withdrawal amount.

Simply complete a Flexible Rollover Product Withdrawal form and return it to us along with a certified proof of identity document if we do not already have one on file. You'll also need to provide a bank statement for the account you wish us to pay your funds into. The statement needs to be current (ie less than 12 months old) and must show your BSB, account number and your full name on the account.

Tax may be payable on any withdrawals you make. For information about the tax that may apply to any withdrawals refer to the Flexible Rollover Product PDS and the How Super SA FRP is taxed section of this Reference Guide.

EARLY RELEASE OF SUPER BENEFITS ON SEVERE FINANCIAL HARDSHIP AND/OR COMPASSIONATE GROUNDS

For further information, please refer to content available at **www.supersa.gov.au**.

DEATH, TOTAL AND PERMANENT DISABLEMENT AND TERMINAL ILLNESS

In the event of total and permanent disablement, including terminal illness, you will receive a lump sum payment provided you meet eligibility conditions.

If you die, your super entitlement will be paid to your spouse and/or putative spouse or your Estate.

If you have nominated a Legal Personal Representative (Estate) with Super SA then your benefit will be paid to your Estate and distributed according to your Will or the Statutes. Your Legal Personal Representative is the person appointed as the executor or administrator of your Estate, following your death. For more information about Legal Personal Reporesentatives, please refer to the Beneficiaries section of this Reference Guide.

If you have insurance this may also be payable in addition to your account balance.

SPLITTING SUPER FOLLOWING THE BREAKDOWN OF RELATIONSHIPS

The *Family Law Act* enables divorced or permanently separated married couples and de facto couples (see putative spouse definition in Beneficiaries section) to split and share their accrued superannuation interests in the same way as other property in a relationship. It is up to the parties to agree how they will share their super assets or the family court can decide. Where they enter into a splitting agreement which includes sharing of superannuation assets, they will need to know the value of the accrued super. Super SA will charge a service fee for preparing the information and splitting the entitlement.

PROOF OF IDENTITY

In 2006 the Commonwealth Government introduced reforms to help prevent money laundering and counter-terrorism activities. This means that you'll be required to provide proof of identity to verify who you are when withdrawing money from your Super SA FRP account. A full list of the identification documents that can be accepted can be found at **www.supersa.sa.gov.au**.

5. Beneficiaries

BENEFICIARIES AND YOUR SUPER ENTITLEMENT

The Super SA Flexible Rollover Product was established pursuant to the *Southern State Superannuation Act 2009* (the Act) and the Southern State Superannuation Regulations 2009.

The Act contains specific provisions regarding who will be paid an entitlement in the event of your death.

WHAT HAPPENS TO YOUR MONEY IF YOU DIE?

Introduction

All the money left in your FRP account if you die is referred to by Super SA as a "Death Benefit".

A lot of people think that their Death Benefit automatically forms part of their estate and is distributed according to their Will (or under the laws of intestacy). That is not the case. An FRP Death Benefit will be paid out according to a set hierarchy, which is:

1. To your Legal Personal Representative (LPR) if you have nominated one;
2. To your spouse or putative spouse, if you have one, and if you have not nominated an LPR; or
3. To your estate, if you have not nominated an LPR and are not survived by a spouse or putative spouse.

Legal Personal Representtive – things you need to know

Who should I appoint?
Your LPR should be one of the executors or administrators of your Will.

What makes a valid and effective nomination?
Please use the Super SA "Binding Death Benefit Nomination Form Legal Personal Representative (Estate)" (the Form) available on the Super SA website. For your nomination to be valid, it must be:

- signed by yourself, in the presence of two witnesses over the age of 18, who are not your LPR nor a Super SA staff member.
- accompanied by the appropriate proof of identity documentation. Please refer to the Proof of Identity fact sheet attached to the nomination form for further information.

The nomination is not effective until Super SA receives the completed Form and appropriate Proof of Identify documents. In other words, if you die before then, the nomination will not be effective.

5. Beneficiaries (continued)

Extending, updating or revoking a nomination
A valid nomination is effective for 3 years from the date it was signed. You can extend an existing nomination before it expires by completing a new form. In that instance, you are not required to have the form witnessed or provide proof of identity documents. If you miss the expiration date, you will need to complete the original process again, as it is taken to be a new nomination.

You can revoke your nomination at any time prior to the three year expiry date by completing a Form by ticking the revocation box. Requests to revoke an existing nomination will take effect on the date Super SA receives them.

Payment under a nomination
If your nomination is valid and effective, your Death Benefit will be paid to your LPR who will distribute your estate according to your Will.

If your nomination expires or is invalid at the time of your death, Super SA will pay your Death Benefit to your spouse or putative spouse and if you have no spouse or putative spouse, to your estate.

If there was a valid nomination in place at the date of death but it expires before the Death Benefit is paid, payment will still be made to your LPR.

Death Benefits distributed by your LPR or executors or administrators, to your "dependents", as defined in tax law, will be tax free, but if distributed to a "non-dependent", again as defined by tax law, Death Benefits will be taxed.

What happens if my circumstances change?

Keeping your LPR nomination and Will up-to-date at all times is important. If your circumstances change, for example in the event of marriage, your previous Will becomes invalid. In the event of divorce, you may want to change the beneficiaries.

Will I be charged a fee for making a nomination?
Currently, there is no cost for making or renewing a nomination.

How can I check my nomination?
You will receive written notification from Super SA confirming your LPR nomination, including the expiry date. However, if you wish to check your nomination you can contact Super SA.

Power of Attorney
A new nomination or a request to revoke an existing nomination cannot be made by the person acting as the member's Power of Attorney. However, a Power of Attorney acting on behalf of the member/investor can confirm a current nomination.

What if I have more than one Super SA Account?
It is important that you tell us each account that you would like to apply your nomination. When completing the nomination form you will be asked to list each account number that applies.

SPOUSE OR PUTATIVE SPOUSE

Your spouse is the person to whom you are legally married.

Your putative spouse is a person who, on a certain date, was cohabiting with the other person as their de facto spouse <u>and</u>:

- they have been so cohabiting continuously for the preceding period of 3 years; <u>or</u>
- in the preceding 4 years cohabited for periods aggregating not less than 3 years; <u>or</u>
- a child, of whom both people are the parents, has been born (whether or not the child is still living); <u>or</u>
- they were in a registered relationship with the other person under the *Relationships Register Act 2016*.

Death Benefits paid to your spouse or putative spouse are generally tax free.

ESTATE

If you do not have an LPR or spouse or putative spouse, your Death Benefit will fall into your estate and will be distributed in accordance with your Will or the laws of intestacy (if you do not have a Will).

SPOUSE MEMBERS

Spouse members can also nominate an LPR by completing the Binding Death Benefit Nomination Legal Personal Representative (Estate) form.

FINANCIAL ADVICE

Making a binding death benefit nomination is an important decision. You may wish to speak to one of the financial planners from Industry Fund Services (IFS) or to your own financial planner. If you get financial advice from IFS you can pay for the financial planning service direct from your Super SA FRP account.

6. Extra information

LOST SUPER

At Super SA, we strive for excellence and we improve our products and services regularly to help you make the most of your super – before and after you retire.

Check if you have any lost super by calling the ATO on 13 28 65 or visiting **www.my.gov.au**.

PERSONAL FINANCIAL PLANNING ADVICE

You are encouraged to seek professional advice in relation to your financial planning needs. Getting good financial planning advice is essential to growing your super.

If you consult a financial adviser additional fees will be payable. If you're looking for detailed personal advice, you can choose your own financial planner or you can take advantage of the commission-free financial planning service available to Super SA members. Check supersa.sa.gov.au to find out more.

Please note: Super SA does not charge commissions or receive commissions from financial advisers, sales agents or any other person or entity.

MEMBER EDUCATION TEAM

Super SA's Member Education team are a dedicated team whose sole purpose is to educate Super SA members and agencies. The Member education team regularly release articles and videos to keep you up to date. Super SA members gain access to online and in-person seminars which distil the complex superannuation landscape into easily understandable sessions. Super SA understands that sometimes it's easier for us to come to you, so we facilitate worksite visits which can range from a one off seminar to a complete series. To book one of Super SA's highly experienced and qualified Member Education Team members please contact **superbookings@sa.gov.au**.

CHANGING YOUR PERSONAL INFORMATION

Super SA relies on having current information so that we can keep you up to date about your account. It's important that you contact us if you change your personal details, particularly your address. Without it, you could miss out on important information about your super and other entitlements, including your Annual Statements. If you want to make changes to your details, you can update them online. Simply log into the member portal at **www.supersa.sa.gov.au**. Alternatively, you can complete a Flexible Rollover Product Change of Personal Details form, which is available on our website.

LOST MEMBERS

Super SA is required by law to report details of lost members to the ATO who will then endeavour to locate those members. Lost members automatically become part of the ATO lost members register.

A member is deemed lost if Super SA has received two pieces of returned mail and does not have a follow up address for that member.

PRIVACY

Your details, and all personal information collected and retained by Super SA, remain confidential. Under the *Southern State Superannuation Act 2009*, information about your entitlements can only be disclosed:

- as required by, or under, any State or Commonwealth Act
- to you, or to someone else, with your consent
- on application, to your spouse or former spouse, under the *Family Law Act 1975*
- to any other person for purposes related to the administration of the Act or as may be required by a court of law.

7. Glossary of terms

Defined fees	
Fee	**Definition**
Activity fee	A fee is an **activity fee** if it relates to costs incurred by the Super SA Board that are directly related to an activity of the Board: i. that is engaged in at the request, or with the consent, of an investor, or ii. that relates to an investor and is required by law; and those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.
Administration fee	An **administration fee** is a fee that relates to the administration or operation of the FRP and includes costs incurred by the Super SA Board that relate to the administration or operation the FRP and are not otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.
Advice fee	A fee is an **advice fee** if the fee relates directly to costs incurred by the Super SA Board because of the provision of financial product advice to an investor by the Super SA Board or another person acting as an employee of, or under an arrangement with the Super SA Board and those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.
Buy-sell spread	A **buy-sell spread** is a fee to recover transaction costs incurred by the Super SA Board, in relation to the sale and purchase of assets of the FRP.
Exit fee	An **exit fee** is a fee to recover costs of disposing of all or part of investors' interests in FRP.

Defined fees	
Fee	**Definition**
Indirect Cost Ratio (ICR)	The **indirect cost ratio (ICR)** for the Balanced investment option offered by the FRP is the ratio of the total of the indirect costs for the Balanced option, to the total average net assets of the FRP attributed to the Balanced investment option.
Insurance fee	A fee is an **insurance fee** if it relates directly to either or both of the following: i. insurance premiums paid by the Super SA Board in relation to an investor or investors of the FRP; ii. costs incurred by the Super SA Board in relation to the provision of insurance for an investor or investors of the FRP; and the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit that is based on the performance of an investment rather than the realisation of a risk and the premiums and costs to which the fee relates are are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.
Investment fee	An **investment fee** is a fee that relates to the investment of the assets of the FRP and includes fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees) and costs incurred by the Super SA Board that: i. relate to the investment of assets of the entity; and ii. are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

7. Glossary of terms (continued)

Defined fees	
Fee	**Definition**
Switching fee	A **switching fee** is a fee to recover the costs of switching all or part of an investor's interest in the FRP from one class of beneficial interest to another.
Insurance premiums	Death and TPD and Death Only Insurance premiums are charged per unit per week and premiums will be deducted from your account on a weekly basis. Premiums will depend on the amount and type of cover. Refer to the FRP Insurance Guide for details regarding insurance premiums.
Other terms	
Interest	The value of an accrued benefit in the superannuation scheme.
Medicare levy	The Medicare Levy is 2% of your taxable income, in addition to the tax you pay on your taxable income.
Member spouse	The partner who is a member of the relevant superannuation scheme.
Non-member spouse	The superannuation scheme member's spouse who is not a member of the relevant superannuation scheme.
Member spouse and non-member spouse may include partners of a de facto or same sex relationship.	
Retirement phase	In superannuation retirement is defined by ceasing full-time or part-time gainful employment. There are both Commonwealth and Super SA conditions to be considered retired.

We're happy to help, give us a call, send us an email or book an appointment.

Member Services	**By appointment only** Ground Floor, 151 Pirie Street (enter from Pulteney Street) Adelaide SA 5000
Post	GPO Box 48, Adelaide SA 5001
Email	supersa@sa.gov.au
Call	1300 369 315
Web	supersa.sa.gov.au
ABN (FRP)	11 635 839 852
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