

Super direction

NEWSLETTER TO MEMBERS | DECEMBER 2015



Get the advice you need

You can now receive general or limited personal financial advice at no extra charge by calling an ANZ Staff Super financial adviser* on **1800 000 086**.

We've recently added this over-the-phone limited personal financial advice service to our range of financial advice services as many members initially just need information about common questions such as:

- investment choices available within the Scheme;
- the level of risk associated with each investment option given your investment timeframe;
- contribution options available;
- how to salary sacrifice into super and the benefits it offers;
- any limits on how much you can contribute;
- insurance options available;
- how insurance benefits will be paid and what cover is provided;
- nominating beneficiaries or making a binding nomination;
- what options the Scheme offers when approaching and at retirement;
- transition to retirement and how it works; or
- how the Scheme's pension options work and the investment choices available.

If after talking with an ANZ Staff Super financial adviser you need more complex personal advice you can make an appointment for more comprehensive personal advice.

Whether your needs are simple or complex, this broader range of financial advice services will allow you to understand what you need and make decisions that are right for you.

Live the life you want

Do you know how much income you may be heading for in retirement and how long it may last?

- Half the population lives five years longer than their money lasts – their money is likely to run out
- 40% of Australians are forced to retire earlier than they expect – due to redundancy or health reasons

If you're over 50 you may have recently received an email from us reminding you of some projections in your last annual benefit statement. Read *Live the life you want! Your guide to retirement planning* in the 'Education fact sheets' section under the 'Forms & publications' tab on

www.anzstaffsuper.com. It includes ways to use the Scheme to boost your super before you retire and enjoy a regular income in retirement.

Call an ANZ Staff Super financial adviser on **1800 000 086** to find out how you might be able to give your super a boost.



* ANZ Staff Superannuation (Australia) Pty Ltd, the Trustee of the Scheme, has entered into an agreement with Australia and New Zealand Banking Group Limited (ANZ) under which ANZ's financial advisers have been engaged to provide Scheme members with general or limited personal financial advice about options available within the Scheme over the phone for no extra charge. If you require more complex personal advice, you'll be given the option of receiving comprehensive personal advice from an ANZ financial adviser and ANZ will charge you a fee for this advice. These financial planning services are provided by ANZ's financial advisers under AFSL 234527. Any advice provided by ANZ's financial advisers is not provided or endorsed by the Trustee and is not provided under the Trustee's AFSL.



Bridging the super gender gap

The superannuation system wasn't designed with the needs of women in mind. Based on data released earlier this year, women have an average super balance at retirement around half that of men*.

There are a number of reasons for this:

- Women, on average, earn less than men, and because super contributions are generally a percentage of salary, this means less super.
- Women are more likely to have time out of the workforce and work part-time to care for others, which again means less salary and less super.

On top of this, women on average live longer than men, meaning their super generally needs to last longer. ANZ believes it's important to help bridge the gender gap in retirement savings and, in July, announced two initiatives to help female employees build stronger super balances:

1. Making an additional \$500 super contribution for every permanent and fixed term female employee active on the payroll in mid-January each year from 2016.
2. Making super contributions for all employees for any period of paid and unpaid parental leave commencing after 1 October 2015.

We're here to help

Whether you're about to start a career break, are returning from one, or just want to know how to give your super a boost, we're here to help. An ANZ Staff Super financial adviser can explain the options available to you for countering the impacts of taking unpaid leave and how to take action to work towards a better retirement income. Just give us a call on **1800 000 086**.

These initiatives are a good start to bridging the super gender gap. You can close any gap even further using your ANZ Staff Scheme.

These are some simple strategies you can use to help boost your super and bridge any retirement savings gap. These strategies are useful for both women and men, but for the reasons stated above, they're particularly important to help women to bridge the gap.

Strategies to bridge the gap



Av. Balance (at retirement)
\$197,000

**Av. Life Expectancy
(born today) 80.1 yrs**

Av. Balance (at retirement)
\$105,000

**Av. Life Expectancy
(born today) 84.3 yrs**

1. Contribute extra to your account whenever you can

The most effective way to bridge any retirement savings gap is to make extra contributions whenever you can. You may be able to make additional contributions to the Scheme from pre-tax salary (by salary sacrifice) or post-tax salary. Payment of contributions from your pre-tax salary within your concessional contribution limit can reduce the amount of tax you pay overall but are subject to the agreement of your employer.

The example on the following page shows how extra super contributions made from pre-tax salary while you're working can counter the impact of taking unpaid leave on your super.

* The Association of Superannuation Funds of Australia partnered with State Street Global Advisors, "The future of retirement income", March 2015.

Example

Joanne and Kirsty are both aged 30 and both earn \$80,000 per year. Joanne takes a two-year career break at age 32 while Kirsty takes no career breaks. They both retire at age 65. Using our online **Model My Super** calculator and assuming Joanne and Kirsty make no additional contributions to their super, Joanne will retire with \$23,000 less than Kirsty.

But what if on returning to work at age 34, Joanne starts salary sacrificing \$100 per fortnight into her super? Again using our **Model My Super** calculator, by the age of 65, Joanne has been able to increase her super balance by \$98,000.

Kirsty and Joanne's projected super balances at retirement* are summarised in the table below.

| | Kirsty | Joanne |
|-------------------------------------|------------------|-----------------------------------------------------|
| Employer contributions | 9.5% | 9.5% |
| Career break | None | 2 years at age 32 |
| Super balance at retirement* | \$458,000 | \$435,000 |
| Extra contributions | None | \$100 per fortnight from pre-tax salary from age 34 |
| Super balance at retirement* | \$458,000 | \$533,000 |

To see the difference additional contributions could make to your retirement savings, go to **Information>Planning tools>Model My Super** at www.anzstaffsuper.com.

*These projections in this example are based on assumptions about future investment returns, fees, tax rates and inflation and are not guaranteed. The underlying assumptions for Model My Super are available at www.anzstaffsuper.com.

2. Consolidate your super accounts

If you've had a number of career breaks or worked part-time, chances are you've had a number of jobs. That means you could have multiple super funds. It also means you're probably paying multiple sets of fees.

By rolling all your accounts into your Scheme account you could save on costs, giving you more money invested over time for your future. Simply log in to the secure section of www.anzstaffsuper.com and click on the '**Start an online rollover request**' button, or complete and return a *Rollover form* available from the website. Just remember to check first that you're not losing any benefits, such as insurance cover.

3. Find any lost super

By changing jobs, changing address or taking a career break, you may have lost track of some of your super. If so, your money may be some of the billions of dollars held by the Australian Taxation Office as unclaimed super. To find out if some of it is yours, visit ATO SuperSeeker at ato.gov.au/superonline.

4. Review your investment strategy

You should regularly review your investment choice to ensure it's appropriate for your changing circumstances and retirement timeframe. For help choosing the right investment options for you, call an ANZ Staff Super financial adviser on **1800 000 086**.

5. Consider a transition to retirement strategy

If you're over preservation age and still working, you may be able to use a transition to retirement strategy to give your super a boost and pay less tax. This involves combining a Transition to Retirement Account Based Pension with salary sacrifice contributions to your super.

To work out whether a transition to retirement strategy might be right for you, use our Transition to retirement calculator. Go to **Information>Planning tools>Transition to retirement calculator** at www.anzstaffsuper.com then talk to an ANZ Staff Super financial adviser on **1800 000 086**.

Product Disclosure Statement updates

We have recently reissued the Product Disclosure Statements for Section A and the Retained Benefit Account (RBA) Section to correct some minor discrepancies in the indicative investment mixes for various investment options. The main issue was that the allocations to fixed interest securities and cash in the Balanced Growth investment option were showing as 16% and 1% respectively rather than 14% and 3% respectively.

Updated Product Disclosure Statements and In Detail documents (where applicable) will be issued in mid-December to reflect the investment objective changes announced in November.

ANZ Staff Scheme's latest investment returns

The following tables provide up-to-date information about your Scheme's investment performance over the short, medium and long term. The tables below show the net investment returns¹ to 30 November 2015:

Section A, Section C, Retained Benefit Account (RBA) and Spouse Contribution Account (SCA) Sections

| 1 January to 30 November 2015 | Aggressive Growth | Balanced Growth | Cautious | Cash |
|-------------------------------|-------------------|-----------------|----------|------|
| Year to date | 6.5% | 5.1% | 3.6% | 1.8% |
| 1 year | 9.3% | 7.0% | 4.9% | 2.1% |
| 3 years | 14.4% | 11.1% | 6.6% | 2.4% |
| 5 years | 9.5% | 8.8% | 6.4% | 3.1% |
| 10 years | 5.3% | 5.7% | 5.4% | 4.3% |

Account Based Pension (ABP) Section²

| 1 January to 30 November 2015 | Aggressive Growth | Balanced Growth | Cautious | Cash |
|-------------------------------|-------------------|-----------------|----------|------|
| Year to date | 7.0% | 5.5% | 4.0% | 2.1% |
| 1 year | 10.0% | 7.6% | 5.5% | 2.4% |
| 3 years | 15.5% | 12.1% | 7.4% | 2.8% |
| 5 years | 10.1% | 9.6% | 7.2% | 3.6% |
| 10 years | N/A | 6.3% | 6.1% | N/A |

Notes:

¹ Investment returns are shown after investment management costs and taxes on investment income are deducted. Past performance is not necessarily a guide to future performance.

² Returns for Account Based Pensions (including Transition to Retirement Account Based Pensions) differ because the investment income earned in this section is exempt from tax.

Comparison of investment performance for super members

The Trustee has commissioned an external comparison of the Scheme's investment returns relative to other similar funds. The following table shows the Scheme's quartile performance provided by Rainmaker based on analysis of its database of superannuation performance results.

| Period to 31 October 2015 | Aggressive Growth | Balanced Growth | Cautious | Cash |
|---------------------------|-------------------|-----------------|----------|------|
| 1 year | 1st | 2nd | 2nd | 2nd |
| 3 years | 2nd | 2nd | 2nd | 2nd |
| 5 years | 2nd | 1st | 2nd | 2nd |
| 10 years | 2nd | 2nd | 2nd | 1st |

Contact details



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Season's Greetings

We wish you and your family all the very best for a happy and healthy 2015 festive season. We look forward to continuing to help you build your super with the Scheme in 2016.

ANZ Staff Super is available on **1800 000 086** from 8.00am to 6.00pm AEDT Monday to Friday, except public holidays. You can also access your account details and other information by logging into **www.anzstaffsuper.com** using your member number and PIN at any time.

Important notice:

In preparing this document, the Trustee has not taken into account the investment objectives, financial situation and particular needs ("financial circumstances") of any person. Accordingly, before acting on the advice contained in this document, you should assess whether the advice is appropriate in light of your own financial circumstances and consider contacting your financial adviser. This document and interests in the ANZ Australian Staff Superannuation Scheme ("the Scheme") are issued by ANZ Staff Superannuation (Australia) Pty Limited. You should consider the relevant Product Disclosure Statement before making a decision in relation to a financial product.