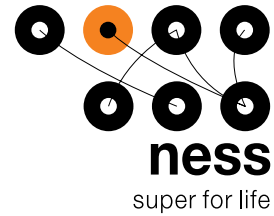


New South Wales Electrical Superannuation Scheme Member Newsletter



Summer 2012

The purpose of this regular newsletter is to keep members and employers in the electrotechnology industry informed about your Fund and what's happening in superannuation.

BENEFITS FOR MEMBERS

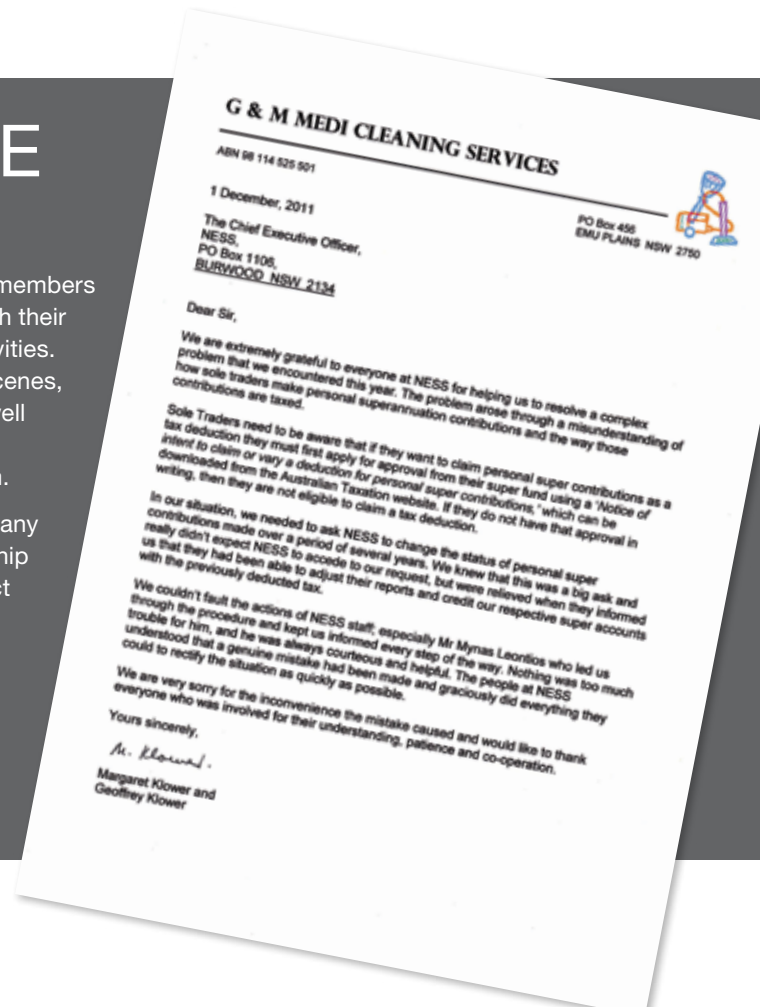


- Members have a choice of 7 investment options or they can choose to combine or mix options.
- Members are provided with basic insurance of 2 units of death and salary continuance cover at very economical rates. We make it simple to apply for additional cover so members can further protect themselves and their family against financial loss.
- NESS can assist members consolidate their other super accounts.
- Our members can access a range of services including commission-free financial advice (initially at no charge), special deals on health insurance and low cost banking and loan services.
- We offer a pension option from age 55 that can be paid to members who are still employed, with a number of taxation benefits.

AT NESS, WE'RE HERE TO HELP

As part of the dedicated, personalised service available to NESS members and their employers, the NESS servicing team efficiently deals with their enquiries and provides assistance as part of their day-to-day activities. Whilst the majority of these enquiries are addressed behind the scenes, there are times when we get specific acknowledgement of a job well done. Thank you to Margaret and Geoffrey Klower of G & M Medi Cleaning Services for taking the time to thank NESS' service team.

So don't forget, NESS is here to help. If you have any specific enquiries about your NESS membership or superannuation in general, please contact us on 1800 022 067 or by email at nessadmin@aas.com.au. Alternatively, should you wish to speak to the NESS service representative to arrange an onsite visit, please call Mynas Leontios on 0448 432 443 or email at mynasl@neca.asn.au





BENEFITS FOR EMPLOYERS

- ☑ NESS makes it easy and convenient for employers to administer their employees' super. We help employers meet their company's compulsory Superannuation Guarantee and award obligations.
- ☑ We accept personal and salary sacrifice contributions.
- ☑ Employers can choose from several electronic (online) and paper-based contribution options that make the monthly process of providing member data and making payments simple.
- ☑ We offer personal service and our friendly servicing team is always ready to help.

Investment Market Commentary

December 2011

The second half of calendar 2011 ended with share markets lower due to investors' concerns regarding a global economic outlook which has deteriorated as the European debt crisis drags on.

The period from July to early October 2011 saw share markets suffer their weakest period of performance since the peak of the Global Financial Crisis, as investors reacted to continuing concerns about the debt burdens of European governments, the risk of a 'double dip' US recession and the potential for a faster than anticipated slowdown in China. It was a very volatile period for markets as investors sold higher risk assets, such as shares and commodities, and generally moved to government bonds and cash.

More recently, share markets have recovered some of their September quarter losses. During October, markets were encouraged by the European Central Bank (ECB) pledging €1 trillion to the European Financial Stability Fund to help stabilize European financial institutions and also by a strong start to the release of financial results by U.S. companies for the September quarter. Notwithstanding the economic challenges in the U.S. many U.S. companies remain highly profitable, particularly those companies which sell to fast growing emerging markets like China.

Although the heightened commitment of European politicians has encouraged markets, the flow of negative macro-economic news has also continued. Among more recent headlines have been the failed efforts of politicians to reach a consensus on measures to reduce the US Budget deficit and downgrades in the credit rating and outlook for the sovereign debt of a number of larger European countries including France, Spain and Italy.

The Reserve Bank of Australia recently responded to concerns regarding slower global growth by cutting interest rates by 0.25% in both November and December. Australia has not been immune to developments overseas as the impacts

of a stronger Australian Dollar and higher cost of overseas borrowing by our banks flow through to our economy. Relative to most of the developed world however, we continue to look like the lucky country as strong investment in our resources sector driven by expectations of ongoing demand from China continues to underpin our economy.

Looking Ahead

Investors should expect market volatility to continue at higher than normal levels as investor sentiment remains driven by political and economic developments.

All investment information in this article has been provided by JANA Investment Advisers Pty Ltd.

NESS' rates of return for the full year to 30 June 2011 and half year to 31 December 2011:

| Investment Option | Return for 12 months to 30 June 2011 (%) | Return for 6 months to 31 December 2011 (%) |
|-------------------|--|---|
| Cash | 4.9 | 2.1 |
| Stable | 7.8 | 0.1 |
| Balanced | 8.6 | -3.9 |
| Property | 15.3 | -1.9 |
| High Growth | 10.4 | -6.5 |
| Australian Shares | 11.3 | -7.7 |
| Overseas Shares | 7.9 | -7.3 |

NESS Pension rates of return for the half year to 31 December 2011:

| Investment Option* | Return for 6 months to 31 December 2011 (%) |
|--------------------|---|
| Cash | 2.4 |
| Conservative | 0.2 |
| Cautious | -1.8 |
| Moderate | -4.7 |
| Assertive | -4.8 |
| Aggressive | -7.8 |

*NESS Pension investment options commenced 1 July 2011.

A super account for spouses? Keep it all in the family...

A recent super survey* shows that that super balances and insurance cover for women are significantly lower than for their male partners. That is why NESS provides the opportunity for spouses of NESS members to join NESS and have life insurance cover. So why not contact NESS about an account for your spouse?

A NESS Spouse account allows your spouse to share in the benefits of being a family member of your superannuation fund, such as:

- Insurance cover at group rates
- Low fees
- Investment choice
- Making contributions and combining amounts from other funds.

For more information on NESS membership (including NESS Spouse Member Accounts), please contact Mynas Leontios from NESS on 0448 432 443 or email at mynasl@neca.asn.au

***ABS (Australian Bureau of Statistics) Survey of Income and Housing* shows that in 2009-10, the average superannuation balance for men was \$71,645, as opposed to \$40,475 for women. Further, for those at retirement, the average superannuation payouts were approximately \$198,000 for men and \$112,600 for women. Most surprising of all, around 31.6% of males and 38.5% of women reported as having no superannuation at all.*

NESS MEMBERS SAVE ON HEALTH INSURANCE

More NESS members are taking advantage of the NESS' nib health plan. When you look at the range of covers and great value, it's not hard to see why.

As a NESS' member, you can join nib and save up to 8% of the cost of your health cover. On nib's highest level of cover, Premier Plus, that's a saving of around \$365 per year!*

nib has a range of health covers available for singles, couples and families. They're easy to understand and easy to choose. With nib you'll get either 50%, 65%, 75% or 85% of the cost back (up to the annual limit) every time you make a claim on Extras like dental, optical and physiotherapy. How much you'll get back varies depending on the level of cover you choose.

For example, on nib's highest level of cover, Premier Plus, if you go to the dentist for a checkup and it costs \$200 you'll \$170 back from nib! It's as simple as that.

You can even download the nib App for iPhone to claim for many Extras using your mobile phone. Please visit your NESS' health plan website for more information.

Join your NESS' health plan today so you can claim straight away for Extras like general dental, optical, physiotherapy and more. nib will waive the usual 2 and 6 month waiting periods to claim on Extras when you join a hospital and extras package**.

Visit the NESS website www.nesssuper.com.au click on the nib logo in the Partners section and get a quote today. Or call 1800 13 14 63. It's worth it.

*8% discount does not apply to Ambulance Only cover, Overseas Visitors Health Cover, Overseas Students Health Cover, travel insurance, life insurance and closed nib health covers. Savings based on a comparison of nib's 8% corporate discount with the retail 0% discount. Savings correct as at April 2011 and based on; Premier Plus, family scale, in NSW (varies by state). Price includes nil excess, the 30% Federal Government Rebate but excludes Lifetime Health Cover loading.

**Offer applies to new corporate customers of any combined Hospital and Extras package for services normally requiring a 2 or 6 month wait. Longer waiting periods apply to some services including major dental. Offer excludes hospital services, Overseas Visitors' Health Cover and Overseas Student Health Cover.



BEWARE your super caps!



What are the super contribution caps?

In the 2011/12 financial year, the concessional contributions cap is \$25,000 or \$50,000 if you are aged 50 or more. This amount includes what your employer pays and what you may salary sacrifice into super.

What happens if I go over my super cap?

The penalty for any contributions that exceed the annual caps is an EXTRA 31.5% tax, which means a penalty tax of 46.5%!

So how do I avoid paying extra tax?

- Be aware of your super cap
- Calculate the amount to salary sacrifice at the beginning of each financial year and notify your employer.
- In March each year, check that that you will not exceed your cap
- For this year, check the amounts received by all your Funds and calculate the employer super payments and the timing of the payments to be made up to 30 June. It's the total amount/s in your Fund/s that count towards your cap.
- If your cap is likely to be exceeded, reduce your sacrificed contributions accordingly.

Please contact us for further information on how to avoid the super caps.



NESS PENSION

- A Super Retirement Vehicle

We've restructured the NESS Pension from 1 July 2011 to provide a range of tax effective investment options to suit NESS members aged 55 or over with \$20,000 or more to invest.

There are 2 Pension Options:

1. A Transition to Retirement Pension – for people aged 55 to 65 who are remaining in the workforce on either a part-time or full-time basis.
2. A Retirement Pension – for people aged 55 or over who have permanently retired from the workforce.

With both Pension types, investment income is totally tax-free while members are paid a flexible, tax effective regular income. From age 60 and above, all payments from a pension are tax free. In addition, retired members have the ability to withdraw lump sums from their Pension account.



Members of NESS Pension are eligible to receive financial advice from Money Solutions, a licensed financial planner. Money Solutions (AFSL 258145) offers practical, plain language financial advice ranging from single issues to full financial plans, at specially discounted rates for NESS members. The first phone consultation is free to members (conditions apply).

Please contact us for more information.

Super increases to NESS' insurance cover from 1 July 2011

As part of NESS' ongoing policy to maximise members' benefits, improvements have been made to insurance covers at no cost to members.

Temporary Salary Continuance (TSC) covers provide monthly benefits to members who suffer a disability that prevents them working (conditions apply). From 1 July 2011, one unit of TSC cover provides eligible members with income of up to \$1,200 per month, an increase of \$200 per month for no extra cost. Default cover increased by \$400 a month to \$2,400.

Also from 1 July 2011, the eligibility period for the provision of Basic (default) Death cover and Basic (default) TSC cover without the need for new members to supply medical evidence, has increased from 120 days to 180 days.

Further improvements in NESS' insurance cover relate to benefits for members residing overseas, the payment of approved rehabilitation expenses on suffering a disability and other of NESS' insurance terms and conditions.

Contact us for more information.

WHAT'S COMING UP IN 2012

Here's a brief summary:

- NESS' Clearing House and contributions disbursement facility to multiple super funds
- Short Form NESS Product Disclosure Document (PDS)
- Further Government announcements on superannuation, including increases and updates to the Superannuation Guarantee, the Future of Financial Advice, MySuper initiatives and new employer obligations.

Further details and information on these and other initiatives will be provided by NESS on its Web site as they become relevant. In the meantime, should you wish to discuss these and any other superannuation matters, please contact Mynas Leontios on 0448 432 443 or by email mynasl@neca.asn.au

Contact NESS if you want to know more about any of the topics in this newsletter

☎ 1800 022 067

✉ Locked Bag 20 Parramatta NSW 2124

🌐 www.nesssuper.com.au

✉ nessadmin@aas.com.au

Disclaimer

The information in this newsletter is up-to-date at the time of its publication. However some of this information can change over time. The contents are for general information only and do not constitute personal advice. We recommend that you consult with a suitably qualified person before making financial decisions.