



September 2015

**Solid. Strong. Yours.**

## What happens to my account when I die?

**There are some important differences between the way that superannuation benefits are treated after death, as opposed to other money such as life insurance or the assets of your estate.**

Benefits from superannuation have to be paid in line with the Commonwealth Government's superannuation rules. Under the rules, priority must be given to a person who is classified as a "dependant". This is normally your legal or de facto spouse, children including step children, and anyone who shared an "interdependency relationship" with you. A legal personal representative is also a dependant. This will usually be either the executor of your estate (if you have a will) or someone appointed by the Courts to look after your estate if you don't have a will.

The Trustee of your super fund will also consider who was financially dependent on you at the time of your death. For example, your spouse might take precedence over adult children who were not living with you.

Your parents, brothers, or sisters do not normally qualify as dependants unless they were in an "interdependency relationship" with you. They would only be considered if no eligible dependants exist.

### **Can I nominate whom I want my super paid to if I die?**

AMIST Super provides you with the opportunity to advise us who you would like your pension account balance paid in the event of your death.

If you nominated a "Reversionary" beneficiary at the time you started your pension (which must be your spouse) then that person has the right to take over your pension in the event of your death; essentially the pension will then be held in their name and they will have full rights to the pension that you were receiving.

Alternatively, you can nominate a preferred beneficiary at any time, however your nomination is not binding on the Trustee and whilst we will try to follow your wishes as closely as possible, we need to ensure that Commonwealth Government rules are followed. For example, if a member is married and nominated their brother as their preferred beneficiary, we would be obliged to pay the benefit to the spouse as they are classified as a dependant and a brother or sister may not normally be considered to be a dependant.

➔ *continued on page 2*



**Account Based Pensions**

## AMIST Pension wins gold!

**AMIST Pension has won a prestigious 2015 CANSTAR 5 Star Rated Award for Outstanding Value.**

CANSTAR was established over 21 years ago and throughout that time they have helped customers make better financial decisions and provided insights to financial institutions to help them develop great products.

AMIST Pension is one of these great products.

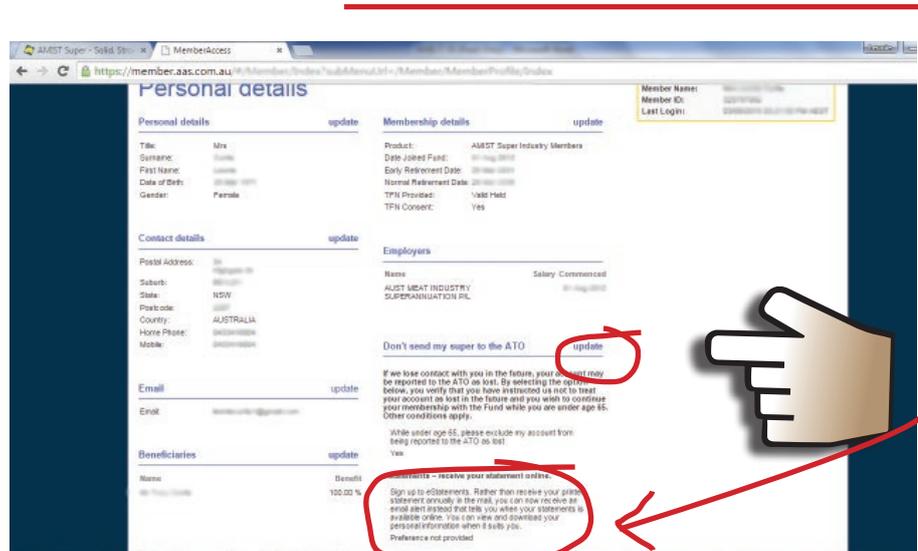
## Now you can get your statements online

### AMIST Pension is just about to introduce eStatements.

That means you can opt to receive your annual statement online, rather than in the mail. With **eStatements**, your statements will all be in the one place, making it easier than ever to keep track of your money. To opt into **eStatements**, simply log onto your MemberAccess account and click on **'Personal details'** within the MEMBER menu.



At the bottom of the **'Personal details'** page you will see the following page. Click **update** and you can select the **eStatements** option.



## What happens to my account when I die?

Nominating a dependant at least gives the Trustee some idea of whom you would like to receive your benefits, and at the very least, provides us with someone to contact to seek more information.

Some superannuation funds allow members the opportunity to make "binding nominations", but the same rules apply. You can only nominate someone who is a dependant, so a binding nomination in favour of, say, your brother or sister would not be accepted. Binding nominations also have a time limit and need to be renewed every three years.

## What happens if I have a will?

Having a will is a great idea, however you should be aware that your superannuation benefits do not automatically become part of the assets of a deceased estate. Even if there is a valid will (or an estate is created), the AMIST Super Trustee may decide to pay your entitlements directly to a dependant.

For example, if a member has a will and an estate is created, and they had a legal spouse, the AMIST Super Trustee is likely to pay the entitlements directly to the spouse.

For more details of the payment of death benefits, please refer to the AMIST Super *Benefits Fact Sheet* which can be downloaded from our website [www.amist.com.au](http://www.amist.com.au), or you can obtain a printed copy by phoning **1800 808 614**.

## Budget changes to Age Pension

**In the 2015 Federal Budget, Treasurer Joe Hockey, announced certain changes to pension entitlements designed to make the system "fairer".**

From 1 January 2017, the asset-free area for pensioners will increase, allowing around 170,000 pensioners

with moderate assets to receive a full or increased pension. At the same time, the asset test taper rate will increase from \$1.50 to \$3. This means that for every \$1,000 of assets over the asset-free threshold (which does not include the family home), the pension rate will reduce by \$3 a fortnight.

Currently, pensioners with substantial assets can still get a part pension.

Without changes, a single homeowner could hold assets up to around \$800,000 and couple homeowners could hold assets up to around \$1.2 million, in addition to their family home and still be eligible for a part pension.

The changes in the Budget require those pensioners with substantial means to draw on slightly more of their assets to maintain their current income levels in retirement, while the Government continues to support those who need it most.

# How your money is invested.

## Part 2: Property.

In part 2 of our series on how your super money is invested, we answer questions about property investments.

**Q:** What kinds of properties does AMIST Super invest in?

**A:** Basically there are three types of property categories that we are interested in. These are retail, industrial and office or commercial buildings. So for example, we will invest in major shopping centres, factory complexes as well as large office buildings.

**Q:** What about residential property?

**A:** No, we don't get into the residential market, it's all commercial type buildings for us.

*"A sound investment strategy involves spreading your investments over a range of options. This helps to protect the overall investment..."*

**Q:** So, does AMIST Super actually buy these buildings?

**A:** Not as such. The way it works is that our asset consultant, JANA, reviews the performance of various property

*"...we invest in the property portfolios offered by the selected managers. So we will have a shareholding in a cross-section of property developments."*

managers who are specialists in property investments. They then make recommendations to the Board about which managers are most appropriate. Once the Board decides on which managers to go with, we invest in the property portfolios offered by the selected managers. So we will have a shareholding in a cross-section of property developments.

A large proportion of our property investment is with Industry Super Property Trust (ISPT). AMIST Super was, in fact, a founding investor with ISPT. Their portfolio is largely based in Sydney and Melbourne and includes the ANZ building in Castlereagh Street in Sydney as well as 50 Lonsdale Street and the GPO Retail Precinct in Melbourne.

**Q:** What's the attraction for AMIST Super in property investment?

**A:** Property offers us a lot of advantages. For example, steady, regular income is one thing. Because the properties are leased to other businesses, there is regular rental income from all of the investments.

And because the rent is linked to the CPI, property offers a good buffer against inflation too.

Secondly, because the value of property goes up, there's solid capital appreciation as well. And property is a medium-risk investment. It's much less volatile than equities, so it offers us greater stability. In fact, the types of property we invest in have averaged an annual return of 9.5% over the last 10 years.

Property also adds to the diversification of our overall investment strategy. A sound investment strategy involves spreading your investments over a range of options. This helps to protect the overall investment because when one option is under-performing, others will most likely be doing well.

For more information about AMIST Super investment options, see our *Investment Guide* booklet which is available by calling the **AMIST Super Hotline**, or download it from our website.

In a worst-case scenario, this would mean a 1.8 per cent annual drawdown on their assets.

As a result, the Government has decided not to proceed with the 2014 Budget measure to index pension and pension equivalents by CPI.

Due to these changes, those who no longer receive a pension will remain eligible for a Commonwealth Seniors Health Card or Health Care Card.

## Performance for this financial year

| AMIST Pension Investment options | Rate   |
|----------------------------------|--------|
| Secure                           | 3.49%  |
| Capital Stable                   | 6.27%  |
| Balanced                         | 9.69%  |
| Growth                           | 11.97% |
| High Growth                      | 14.35% |

## Greek debt crisis of no direct concern to AMIST Super members

You may have heard of the Greek debt crisis and wonder if it will have an impact on your AMIST Super account.

The Trustee is committed to delivering strong returns for our members and will continue to monitor the market conditions closely, including the Greek debt issue.

*"... we have no current investment contact with Greece..."*

While the market can move suddenly up and down in the short-term, super is a long-term investment that has consistently delivered strong returns over time.

With AMIST Super's Balanced Pension option, for example, the return for the year to 30 June 2015 was 9.69% and the return over the 5 years to 30 June 2015 was 10.25%.

The Trustee continues to invest in well-diversified assets across various sectors and industries domestically and around the world, but we have no current investment contact with Greece. However, the indirect impact of the Greek debt crisis on global markets and sentiment are areas we will continue to watch.



AMIST Super is now on Facebook.

We'll be making regular posts about super and lots of other interesting things. So why not "like" us and "share" us amongst your friends. And don't forget to make a comment. We're always interested in your views.

## Super Words

The words in the list below are hidden in the grid. They can be found running in straight lines, but they could be horizontal, vertical, diagonal or even spelt backwards. And some words may share letters with other words.

Find and circle all the words and you could win \$100 cash



|                |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|----------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AMISTSUPER     | W | A | E | F | S | A | C | E | R | Z | X | E | B | S | T |
| BENEFICIARY    | S | O | C | Z | T | C | S | L | E | V | R | G | R | S | T |
| CANSTAR        | N | X | U | N | N | H | U | B | T | J | O | Q | A | E | N |
| FACEBOOK       | O | P | Y | A | E | F | P | E | U | T | E | E | T | C | E |
| HORIZONS       | Z | P | P | M | M | A | E | N | R | R | Q | C | S | C | M |
| INVESTMENTS    | I | O | E | I | T | C | R | E | N | U | D | N | N | A | E |
| MEMBERACCESS   | R | R | N | S | S | E | A | F | S | S | O | A | A | R | R |
| PENSION        | O | T | S | T | E | B | N | I | W | T | C | M | C | E | I |
| PERFORMANCE    | H | F | I | S | V | O | N | C | S | E | C | R | I | B | T |
| PORTFOLIO      | J | O | O | U | N | O | U | I | S | E | S | O | Y | M | E |
| RETIREMENT     | T | L | N | P | I | K | A | A | T | Q | O | F | O | E | R |
| RETURNS        | N | I | J | E | K | E | T | R | R | B | L | R | U | M | R |
| SOLID          | C | O | C | R | Y | V | I | Y | O | M | I | E | R | I | V |
| STRONG         | L | R | O | J | T | Q | O | Q | N | M | D | P | S | V | S |
| SUPERANNUATION | L | E | V | A | R | T | N | J | G | A | J | J | L | D | O |
| TRAVEL         |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| TRUSTEE        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| YOURS          |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |

Entries close 30 November 2015. Just send your completed puzzle and details below to: AMIST Super Words GPO Box 4293 Sydney NSW 2001

Please be sure to write your name and contact details clearly.

Name: .....

Address: .....

State: ..... Postcode: ..... Phone: .....

Email: .....

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