

Contribution rules changed from 1 July for Transition to Retirement pension members

New rules relating to members in or nearing retirement came into effect on 1 July this year.



Removal of work test requirement

Individuals aged 65 and 66 will be able to make voluntary concessional and non-concessional superannuation contributions, without meeting the “work test”. The work test requires an individual to work at least 40 hours over a 30 consecutive day period for gain or reward before they are able to make voluntary contributions to superannuation. This approach will enable members nearing retirement to improve their retirement savings regardless of their working arrangements.

Spouse contributions

The age limit for spouse contributions will increase from 69 to 74 years. Currently those members aged 70 years and over cannot receive contributions made by another person on their behalf.

Extension of bring-forward arrangements

The bring-forward arrangements, which currently apply to members aged less than 65 years, are planned to be extended to those aged 65 and 66. Under the bring-forward rules, members meeting the age requirement can make three years’ worth of non-concessional superannuation contributions (i.e. after-tax contributions), thereby contributing up to \$300,000 in a single year, with no further non-concessional contributions for the following two years.

This rule change is currently proposed by the Government, however it is regulated under legislation that has yet to be updated.

Temporary reduction of minimum annual pension and annuity annual payments.

For many retirees, the substantial losses felt across financial markets caused by the COVID-19 pandemic are having a negative impact on account balances in superannuation pensions or annuities.

As a result of this, the Government has reduced the minimum annual payment required for account-based pensions and annuities by 50% in the 2019-20 and 2020-21 financial years.

> Continued on page 3



Vale Peter Greenham

Veteran Southern Australian beef processor Peter Greenham Sr passed away on August 16, after a period of illness. He was 83. The executive chairman of HW Greenham & Sons, Peter was a fifth-generation meat processor whose passion for the industry touched all who had the privilege of knowing him. He was a valued member of the AMIST Super board from 1995 to 2009.

Well remembered by many AMIST Super personnel today, Mr Greenham is described as an honourable and decent person, who whilst on the AMIST Super board, always maintained a focus on what was in the best interests of members.



By Murray Rutherford - CEO/CIO

Global equities in particular recorded their strongest quarterly return in 11 years.

Investment market update - reporting as at 30 June 2020.

Despite the ongoing global COVID-19 pandemic, the month of June saw assets with a high degree of volatility—known as risk assets—perform well, with increased returns. Global equities in particular recorded their strongest quarterly return in 11 years.

Stimulus from fiscal and monetary policy makers ensured bonds had plenty of liquidity, benefiting both government bond and credit markets. This was a strong and fast share market recovery led by the technology sector

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that has performed well throughout the crisis. The reopening of economies around the world brought with it boosts in confidence and economic activity, a positive sign for a swifter than expected recovery. However, in some regions around the world including the US and Latin America, COVID-19 cases have increased, putting strain on healthcare systems and increasing uncertainty regarding the pace of economic recovery.

While the Australian share market recovered, it was behind the rest of the world's share market recovery led by

the U.S. Concerns of a second wave of COVID-19 and partial reliance on China-based growth has tempered initial gains. Our currency, the Australian dollar, has also recovered from the lows early in the year.

Globally, however, bonds remained flat with yields near all-time lows as central banks kept cash rates low to support market liquidity. This liquidity allows the market to buy and sell assets quickly and easily.

Overall, it is expected that the share market volatility will remain high as economies move toward a stronger recovery. AMIST Super is well balanced

across shares, bonds, and unlisted assets providing strong risk-adjusted returns for members. The AMIST Super investment options are also well positioned to handle continued volatility and the investment team is actively looking for undervalued opportunities to enhance member returns.

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Investment Option Changes.

At AMIST Super we take pride in offering our members investment option choices that suit their needs without over complicating things.

As at 1 October 2020 we will be introducing two new investment options – a **Property Option** and an **Alternatives Option**.

This will bring our total investment offering to 8 options. We will also be renaming our High Growth Option to the Shares Option to better reflect how this option is invested. This means you will be able to choose to invest your super in one or more of the following options:

MySuper	Secure
Capital Stable	Balanced
Growth	Shares
Property	Alternatives

To find out more information about each of these options, including asset allocations and risk considerations, as well as how to make an investment switch, visit our website www.amist.com.au/member-investment-choice.



Strategic asset allocation changes offer investment benefits to members.

AMIST Super has announced strategic asset allocation changes to two of its investment options. Effective 1 July, the changes have been made to the Balanced/MySuper and Growth investment options.

The changes include the introduction of a 10% target to Private Equity across the two options, as well as increased exposure to Global Credit in the Balanced/MySuper option.

These changes have been made with a view to enhancing strategic returns across each of the options, while increasing portfolio diversification and increasing investment opportunity.

These changes have been made with a view to enhancing strategic returns

The addition of Private Equity allows AMIST Super to seek investments with attractive return potential and at the same time retaining appropriate risk levels. This opportunity is not available in public markets.

The increased exposure to Global Credit reflects a shift away from more traditional investment-grade fixed income and Government Bond investments that offer lower return potential and increased risk should interest rates rise.

Overall, the growth/defensive ratio in each option remains unchanged.

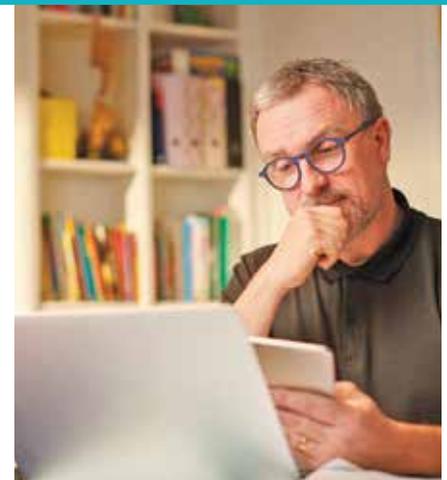


AMIST Super appoints new Director to the Board.

AMIST Super has recently welcomed Grant Courtney to its Board of Directors.

Grant has spent the last 39 years working in and representing workers in the Australian meat industry. He has held a number of senior positions within the meat industry, which gives him a deep level of insight into the needs of the industry workforce.

“I am a strong advocate of industry superannuation with affordable benefits and low fees,” he says, “and I will ensure meat workers’ concerns and ideas are addressed by the Board.”



> Continued from page 1

Temporary reduction of minimum annual pension and annuity annual payments.

The minimum payment required is calculated at 1 July each year, based on the account balance of the member. The 50% reduction will apply to the calculated minimum payment.

For pensions that commence part-way through the 2019-20 or 2020-21 years, the 50% reduction applies to the minimum annual payment that is calculated proportionally on the account balance on commencement day.

For more information, call the **AMIST Pension Hotline** on **1800 255 521** or visit the Australian Taxation Office website.

Client Services

Meet our team of service professionals.

Remember our Client Services Managers are here to help you get the most from your super. Feel free to contact them.



Royston Bennett - National Manager, Client Services on 0437 697 737 or roystonb@amist.com.au.



Glen Pearson - on 0418 285 649 or glenp@amist.com.au for WA, VIC, ACT and TAS.



David Ashton - on 0434 043 785 or david@amist.com.au for QLD and NT.



Justine Young - on 0409 907 408 or justiney@amist.com.au for NSW.



Take our quick quiz and you could **win \$200!**



How well do you know your super?

You'll find the answers to these questions in this edition of **Super Horizons**.

Entries close **31 December 2020**. Just send your answers and details below to: AMIST Super Quiz GPO Box 4293 Sydney NSW 2001 or Fax to: 02 9230 1111.

- 1 What is the new age limit for spouse contributions to super?
- 2 Who is AMIST Super's newest Client Services Manager?
- 3 How long has he worked in the financial services industry?
- 4 Name one of the new strategic asset allocation additions that came into effect on July 1.
- 5 Name the two new investment options that have been added.
- 6 What are assets with a high degree of volatility known as?
- 7 Name AMIST Super's new board member.
- 8 AMIST Super's High Growth investment option is now called what?
- 9 In investment terms, Global Equities have recorded their strongest quarterly returns in how many years?
- 10 Who presented the Poultry Awards at the National Sausage King Championship in February?.....

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

Name:

Address:

State: Postcode: Phone:

Email:

RICHARD WINS QUIZ PRIZE.

Congratulations to member **Richard Canty** of **NSW** for correctly answering the quiz questions in the last edition. Richard wins the \$200 prize.

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