



# SA METROPOLITAN FIRE SERVICE SUPERANNUATION SCHEME

Winter 2011

## SUPER INFO

*This Newsletter is issued by SA Metropolitan Fire Service Superannuation Pty Ltd ACN 068 821 750,  
99 Wakefield Street, Adelaide 5000.*

**Welcome** to the Winter 2011 edition of Super Info.

### Investment Update

Information provided by **Funds SA** 9 August 2011.

The following information provides a brief update on recent market movements.

#### Recent Market Volatility

Volatility in global share markets has increased materially in recent weeks. Concerns over the strength of the global economy together with the US and European governments' handling of sovereign debt levels, has negatively affected investor confidence.

The recent Standard and Poor's downgrade of US sovereign debt from AAA to AA+, although not a material downgrade, provided a catalyst for markets to become even more volatile.

Market returns for the 2011-12 financial year to date (1 July 2011 to 8 August 2011 inclusive) are shown in the table below.

Australian shares	-13.4%
Global shares	-15.0%
Australian listed property	-13.6%
High yielding debt assets*:	
Global corporate debt	3.0%
Global high yield	-1.9%
Emerging market debt	1.1%
Australian government bonds	3.6%
Global government bonds	2.9%
Australian inflation linked bonds	4.7%
Cash	0.5%

\*Note exposures to high yielding debt assets are held within the 'Diversified Strategies Income' asset class and comprise between 8% and 15% of the investment option allocations (with the exception of the Cash option).

Australian share markets have fallen by around 13% since the beginning of the new financial year with commodities and the local currency also down. Offsetting these losses has been strong performance in most government bond markets, with US government bonds performing well despite the downgrade.

Although these short term moves in share markets are painful to members in isolation, it does highlight the benefits of diversification as fixed interest allocations have served to partially offset share market losses.

#### Portfolio positioning

What are we doing to navigate this difficult environment?

- From an asset allocation perspective, exposure to the fixed interest asset class within each of the investment options has offset some of the volatility. The relatively large allocation to inflation linked bonds across the options has also served to play a similar diversifying role as this market has performed very well.
- Cash allocations remain a key component enabling portfolio stability and flexibility.
- With respect to offshore share markets, the exposure to offshore currency has acted as a diversifier, with falls in the Australian dollar benefiting the options.
- Within the fixed interest asset class, exposure to peripheral European government bonds is near zero.

We continue to monitor and analyse risks and potential opportunities in a disciplined manner with the aim of delivering

investment returns in a risk focused manner.

## **Your investment choices (accumulation accounts)**

Your exposure to market volatility is dependent on your selected investment option. It is important to be comfortable with the level of risk your super is exposed to and be satisfied that your selection suits your investment timeframe.

More than ever, it is important to make sure your investment option accords with your personal financial objectives.

### Funds SA Disclaimer

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## **New-look Member Website**

At the SA Metropolitan Fire Service Superannuation Scheme, we're keen to ensure you have fast and easy access to information about your super, presented in a way that is easy to understand.

So we're pleased to announce that we're currently updating the website, due to be launched in September.

As well as a fresh new design, the site has also had some significant enhancements. The way you access some information is a little different, and there are also a number of exciting new features.

The website is divided into two parts – a public area and a secure member area.

### **The public area of the website**

The public homepage provides information about the Scheme, the latest Annual Report, and includes the Scheme's documents and forms. It also includes a range of planning tools and an article library which has special interest and

education articles on a range of financial topics not just super.

### **The secure member area of the website**

To access the secure member area, go to the Sign in section in the top right hand side of the homepage (see below for sign in information). This area allows you to:

- Check your current account balance
- View your preferred dependant details and update them if required
- Download your annual Benefit Statements since 30 June 2007
- Download documents & forms
- View a year-to-date statement of your account (accumulation members)
- View a history of transactions for your account
- Change your PIN
- See how your super is invested and make changes to your accumulation account investment strategy online
- Stay on top of your contributions, including how you're tracking against the annual contribution limits
- Monitor taxes and any fees deducted from your account
- View a summary of administration workflow related to your super.

### **Information where you want it**

We understand that you need information about your super when you want it. So we've moved your personal account information to the top of each page so you can see the most important information first.

You'll find supporting information at the bottom of each page, and links to any related information on the right of each page.

### **Navigation**

You'll also notice some changes to the navigation.

You can still navigate the website using the navigation tabs at the top of each page – simply move your mouse over any tab to reveal the details in a dropdown menu.

Once you've selected a page to view, navigation links will appear along the top of your screen - these will help you find your way through each section on the site so you don't have to keep returning to the main navigation.

And you can access any page on the site quickly from the site map at the bottom of every page. Click on any of the links in the site map to take you straight to the page you're interested in.

### Sign-in to manage your account online

Sign-in to your member account and get up-to-date information about your account at any time.

You'll need your member number (your Personal ID as shown on your latest Benefit Statement) and your PIN/Password to access your personal account online.

### Forgotten your PIN/Password?

Call the Helpline on 1300 132 573 and one of our friendly consultants will assist you.

### Future of Financial Advice (FoFA) reforms

On 28 April 2011 the Assistant Treasurer and Minister for Financial Services and Superannuation the Hon Bill Shorten announced the Government's latest response to the FoFA reforms.

The FoFA reforms represent a comprehensive Government response to the Parliamentary Joint Committee on Corporations and Financial Services' Inquiry (PJC Inquiry) into financial products and services, which was set up in the wake of collapses such as Storm Financial, Westpoint and Opes Prime. The recent Trio collapse is also relevant. The reforms are designed to provide further protections for consumers of financial advice and to restore trust in the system.

The key elements of the reforms are:

- A prospective ban on up-front and trailing commissions and like payments for both individual and group risk within superannuation from 1 July 2013.

- A prospective requirement for advisers to get clients to opt-in (or renew) their advice agreement every two years from 1 July 2012.
- A prospective ban on any form of payment relating to volume or sales targets from any financial services business to dealer groups, authorised representatives, or advisers including volume rebates from platform providers to dealer groups.
- A prospective ban on soft dollar benefits, where a benefit is \$300 or more (per benefit) from 1 July 2012. The ban does not apply to any benefit provided for the purposes of professional development and administrative IT services if set criteria are met.
- Expanding a new form of limited advice called scaled advice to create a level playing field for people who provide it including superannuation trustees, financial planners, and potentially accountants. Scaled advice is advice about one area of an investor's needs, such as insurance, or about a limited range of issues.
- A limited carve out from elements of the ban on conflicted remuneration and best interests duty for basic banking products where employees of an Australian Deposit-taking Institution (ADI) are advising on and selling their employer ADI's basic banking products. Basic banking products are basic deposit products (e.g. savings accounts), first home saver account deposit accounts, and non-cash payment products (e.g. traveller's cheques and cheque accounts).
- The Government will explore whether the term 'financial planner/adviser' should be restricted under the *Corporations Act 2001* (Corporations Act).

The reform package also provides further details on other elements of the reforms including the best-interests duty, access to advice, and the accountants' exemption.

The Government has announced that these reforms are designed to encourage people who have doubts and concerns about the value of financial advice, or have just never thought about it, to perhaps get financial advice in the future.

## Check List Reminder

- 1. Change of Address.**  
Have you advised the Scheme of your change of address?
- 2. Nomination of Beneficiary Form.**  
Is your Nomination of Beneficiary form up to date?
- 3. Leave Without Pay**  
Are you going on Leave without Pay for an extended period?
- 4. Long Term Sick leave.**  
Members under age 60, is your sick leave due to run out?
- 5. Maternity leave**  
Are you going on maternity leave and when will wages cease?
- 6. Working less than 20 hours per week.**  
For members working less than 20 hours per week, your insurance cover may be reduced.

*Please advise the Scheme on any of the above and contact the Manager, Mr Alan Kent on 8204 3826 for any clarification you may require. Information is also available in the Member Benefit Guide on the website [www.samfs.superfacts.com](http://www.samfs.superfacts.com)*

**Note:** *If you are on extended leave at any time, you can always access the Super Info on the website [www.samfs.superfacts.com](http://www.samfs.superfacts.com)*

- 7. Salary Sacrifice Forms.**  
Please ensure you send in **original** signed Salary Sacrifice forms to this office. If you fax your copies in, we still need the originals to be signed off by the employer before forwarding to Shared Services.

## Changes To The Definition Of Reportable Employer Superannuation Contribution (RESC) Payments

The Government has introduced an amended definition of a RESC payment, which appears on your Annual PAYG Summary.

The inclusion of RESC amounts on PAYG summaries has seen some members have government benefits and payments (ie family support payments) affected.

Under the current definition, a RESC payment includes a superannuation contribution where:

- the person has the capacity to influence the size of the contribution; or
- where the person has the capacity to influence the way in which the contribution is made in order to reduce their assessable income.

Under the Government's announcement, the definition is being amended so that a payment is not a RESC payment where the requirement to contribute the amount is dictated either by:

- an industrial instrument (i.e., an Award or industrial agreement); or
- the rules of a super fund; and
- the member does not have the capacity to influence the content of the industrial instrument or rules of the fund.

Importantly, this change of definition will apply retrospectively to when the regime commenced on 1 July 2009.

The Scheme has obtained professional advice and understands that where members are choosing to salary sacrifice compulsory contributions, these contributions will continue to be included as a Reportable Employer Superannuation Contribution.

## Your 'preservation age'

Your 'preservation age' (i.e., the age at which your preserved super can be paid to you in cash if you have permanently retired from the workforce) depends on your date of birth:

Date of birth	Preservation age
Before 1 July 1960	55
Between 1 July 1960 and 30 June 1961	56
Between 1 July 1961 and 30 June 1962	57
Between 1 July 1962 and 30 June 1963	58
Between 1 July 1963 and 30 June 1964	59
After 30 June 1964	60

The law requires that preserved super stays invested in an approved superannuation arrangement. This could include transferring any preserved benefit from the Scheme to another employer's fund, a personal super fund, a rollover fund or a retirement savings account in circumstances where you cease employment.

### Alan Kent Manager

**Important Notice:** *The information in this Newsletter is for educational purposes only and is not intended to be advice. It has been prepared without taking account of your personal objectives, financial situation or needs. Therefore, before acting upon any of the information in this Newsletter, you should consider its appropriateness having regard to your objectives, personal situation and needs. It is recommended that you seek professional financial advice from a licensed or appropriately authorised financial adviser before making any decisions in respect to your membership of the Scheme. Please note that there are no guarantees of the investment performance of the Scheme's assets and the value of your investment in the Scheme may rise or fall from time to time. You should also note that past performance is not an indicator of future performance. For further information about the Scheme, you should read and consider the Scheme's Member Benefit Guide which you can obtain by calling the Manager on (08) 8204 3826*