

Goldman Sachs & JBWere Superannuation Fund

Annual Newsletter

May 2020

In this newsletter:

■ SIGNIFICANT EVENT NOTICE - CHANGE IN ADMINISTRATION FEES	2	■ SPOUSE MEMBERSHIP - BOOST YOUR JOINT RETIREMENT SAVINGS	5
■ FUND PERFORMANCE	3	■ GLOBAL MARKET UPDATE	6
■ YOUR TRUSTEE BOARD	3	■ COVID-19: ACCESSING YOUR SUPER EARLY	7
■ END OF FINANCIAL YEAR - WAYS TO GROW YOUR SUPER	4		



Significant Event Notice - Change in administration fees

Following a review the Trustee has decided to change the structure of the Fund's fees to ensure that they are equitably shared between members.

From 1 July 2020, the administration fees applying to some members in the Goldman Sachs JBWere Superannuation Fund will change to a single percentage of assets based fee.

Who do the new administration fees apply to?

- JBWere Employees in the Accumulation Section
- Spouse Member accounts for non-Goldman Sachs Employees
- Retained Benefit accounts, and
- Account-based Pension accounts.

The current administration fees won't change for Goldman Sachs Employee Members and Eligible Spouse Members of Goldman Sachs Employees in the Accumulation Section.

How will the administration fees change?

The current administration fee structure and the new administration fee structure are set out in the table below.

Member accounts	Administration fees ¹ to 30 June 2020	Administration fees ¹ from 1 July 2020	How and when it is paid
<ul style="list-style-type: none"> Accumulation Section - JBWere Employees Non-Goldman Sachs Employee - Spouse Member Retained Benefit Account-based Pension 	Operating costs ² 0.09% of Fund assets plus \$360 p.a. plus 0.1% p.a. (capped at \$300 p.a.) of relevant Fund assets	Operating costs ² 0.09% of Fund assets plus n/a plus 0.4% p.a. (capped at \$800 p.a.) of relevant Fund assets	Deducted from Fund's assets and taken into account when the Fund's Crediting Rate is determined Pro rata amount deducted monthly from your Member Account
<ul style="list-style-type: none"> Accumulation Section Goldman Sachs Employee Goldman Sachs Employee - Eligible Spouse Member 	Operating costs ² 0.09% of Fund assets.	No change	Deducted from Fund's assets and taken into account when the Fund's Crediting Rate is determined

¹ A 3% cap applies to the total administration fees, investment fees and indirect costs applied to your Fund accounts with a balance of less than \$6,000. The Fee Cap will result in a refund of fees in excess of 3% of the account balance at the end of each financial year or when a member leaves the Fund.

² Represents estimated realised operating costs for the financial year ended 30 June 2019. Similar percentages are expected in the future. Actual amounts may vary.

What is the amount of the new administration fee?

The table below shows a comparison of the impact of the current and new administration fee charges for an account balance of \$50,000 for the following members:

- JBWere Employees in the Accumulation Section
- Spouse Member accounts for non-Goldman Sachs Employees
- Retained Benefit accounts, and
- Account-based Pension accounts.

As the example shows, under the new structure, the annual administration fee will reduce for members with that account balance.

Worked example

Administration fees applying on an account balance of \$50,000			
Up to 30 June 2020		From 1 July 2020	
Fee	Amount	Fee	Amount
0.09% of Fund assets	\$45 operating costs	0.09% of Fund assets	\$45 operating costs
plus \$360 p.a.	\$360 pro rata deducted monthly regardless of your account balance	\$0	n/a
plus 0.01% p.a. (capped at \$300 p.a.)	\$50	plus 0.4% of Fund assets (capped at \$800 p.a.)	\$200
Total administration fees	\$455		\$245

The example above shows the impact for members with a \$50,000 balance. In general, members with an account balance less than \$120,000 will have lower fees from 1 July 2020 and those with balances above \$120,000 will have higher fees.



Fund performance

The Trustee is proud to advise that the Fund continues to deliver strong long term performance for members. The Fund's investment performance was ranked in the top 3 over the 7 and 10 year periods to 30 April 2020 according to the latest SuperRatings peer group data.

The Trustee's investment strategy is to prudently invest the assets of the Fund in pursuit of the maximum rate of return possible, subject to acceptable risk parameters and maintenance of an appropriate diversification of investments. By continuing to utilise access to the investment resources of Goldman Sachs and JBWere, the Fund has continued to meet the key investment objectives over the longer term.

MySuper Performance (accumulation members)

- 10 year return to 30 April 2020 – Ranked 3rd (with a return of 8.49%)
- 7 year return to 30 April 2020 – Ranked 3rd (with a return of 8.85%)
- 5 year return to 30 April 2020 – Ranked 10th (with a return of 6.18%)

Remember that you can look up the Fund's most recent crediting rates on the Fund website www.gsibw.superfacts.com, at any time.

It is very important to note that past performance is not a reliable indicator of future performance.

Your Trustee Board

Employer Representative Directors	Member Representative Directors	Alternative Directors	Company Secretary
Goldman Sachs			
Conor Smyth Paul Sundberg	Sophie Dodson Sean Tolpinrud	Melissa Muratore	Jim Vais
JBWere			
Angela Manning (Chairman)	Brian Jones	Sally Campbell	

End of financial year – ways to grow your super

At Goldman Sachs & JBWere Super, we want to encourage you to save towards your retirement. The lead up to the end of the financial year is a good prompt to review your super and see whether you are making the most of the tax advantages it offers – in addition to planning for the year ahead.

Do you know the answers to the following questions?

- What is your current super account balance?
- Are you on track to reach the savings goal you need for the retirement lifestyle you want?
- Will your current level of contributions allow you to save enough to reach your goals?

If you answered “no” to any of these questions, here are some ways to take advantage of the benefits super offers. Even small regular amounts today can make a big difference to your account tomorrow. The earlier you start contributing extra to super, the more you can gain the benefits of compounding investment returns over the long term.

Use the **Retirement Income simulator** on the **Tools** page of the Fund website, www.gsibw.superfacts.com to check the level of savings you might have in retirement using these different savings approaches.

Use tax savings to boost your super

Concessional (or before-tax) contributions are capped at \$25,000 per financial year. The total of your employer contributions, fees your employer pays on your behalf and salary sacrificed contributions count toward your cap. If your concessional contributions won't total \$25,000 by 30 June 2020, you could consider making extra contributions to use the remaining cap to boost your super and maximise your tax savings.

Salary sacrifice

Salary sacrifice is an arrangement between you and your employer, whereby you direct part of your before-tax pay into your super on a regular basis. Since these contributions are taxed at 15%¹ when paid into your account, you gain a tax saving compared with the personal tax rate you'd pay if you took this money as cash. You can reduce your taxable income and increase your super balance at the same time.

Remember that salary sacrificing contributions count towards your concessional cap.

New carry forward rules

New super rules from 1 July 2018 allow you to 'carry-forward' unused concessional contribution cap amounts for up to five years if you have a total superannuation balance of less than \$500,000. For example, unused cap from the 2018-19 financial year can be carried forward for this or future financial years to 2023-24. Amounts carried forward that have not been used after five years will expire.

Actions to consider:

Check your total concessional contributions up to 30 June for the 2019-20 financial year. You'll find your current contributions to the Fund on the **Annual contribution cap** page in your online account – don't forget to include all contributions still to be made up to financial year end and any fees paid for you by your employer. You can also see whether you have any unused cap for the 2018-19 financial year that you could utilise. You should also take into account concessional contributions from other employers.

Remember that contributions are counted from the date the Fund has credited them to your account. If the Fund allocates the additional contribution after 1 July, it will apply in the 2020-21 financial year. One way to ensure your contribution is received before 30 June is to make a tax-deductible contribution from other money to your account via BPAY. Allow up to 5 days for this payment to reach your account. Your BPAY reference number is shown under the **Contributions > Contribute via BPAY** tab in your online account. (See “Making a tax-deductible contribution” below).

Be sure you stay under your total cap. If you contribute more than this, you may pay extra tax.

¹If your income is over \$250,000 a year, you may pay 30% contributions tax on some or all of your concessional contributions.

Making additional contributions

Non-concessional contributions are payments into your super from money you have already paid tax on, so they are not taxed when they are received by your super fund. Growing your super with additional contributions provides a tax-advantaged investment environment on which a maximum of 15% tax is paid on earnings.

The cap for non-concessional contributions is \$100,000 a year, although if under age 65 you can 'bring forward' up to three years of non-concessional contributions, allowing you to contribute up to \$300,000, depending on your super balance. If you have a super balance of \$1.6 million or more, you cannot make non-concessional contributions.

Making a tax-deductible contribution

You can now claim a tax deduction on a non-concessional contribution made from after-tax pay, savings or income from other sources. You can only claim up to the remainder of your concessional cap. Any other part of your contribution will count towards your non-concessional cap.

To claim a deduction, you must provide the Fund with a completed *Notice of intent to claim or vary a deduction for personal super contributions* form, available from the Australian Taxation Office website, www.ato.gov.au.

Making additional contributions - Cont.

Before claiming your deduction, you must:

- make your contribution to the Fund
- give your completed form to the Fund by the end of the financial year following the year in which you made your contribution or by the day you lodge your tax return for the relevant year, whichever comes first
- have received written confirmation of your *Notice of intent* from the Fund, which will confirm the tax-deductible amount you are eligible to claim.

If you are impacted by these changes, we have written to you already or we will write to you over the coming weeks

Actions to consider: As an investment platform, super offers tax advantages, both during your working life and especially during retirement. If you don't need to access your money until retirement, it may be worth weighing the tax advantages of investing extra cash in super compared with other investment vehicles.

Seeking advice from a licensed financial adviser is always recommended before making any decisions about your super. For more information about any of these current contribution caps, please visit the Australian Taxation Office website, www.ato.gov.au.

The end of the financial year will be here before you know it, so it's worth taking time to review your super in advance of 30 June to make the most of any tax advantages.

Spouse membership – boost your joint retirement savings

Have you considered the benefits of your spouse joining the Goldman Sachs JBWere Superannuation Fund?

If you are an Employee Member of the Fund, your spouse can also join to enjoy the considerable benefits the Fund offers.

If your spouse is not working, works part time or has taken a career break, Spouse membership offers a number of ways to grow their super savings. As a **contributing spouse**, topping up your spouse's account can be a great way to boost your joint retirement savings.

Are you eligible for a tax offset?

If your spouse earns less than \$40,000 a year, you may qualify for a tax offset of up to \$540 on contributions of up to \$3,000 that you make on their behalf in a financial year.

Additional contributions

Whilst your spouse cannot have their employer's Superannuation Guarantee (SG) contributions credited to their eligible spouse account in the Fund, they can make before or after-tax additional contributions into their Fund account.

Splitting contributions

Splitting contributions can be a useful strategy to boost your spouse's super; maximise your combined super savings or rebalance account balances. You can split your concessional contributions (up to 85% of your employer and salary sacrifice contributions) with your spouse. Contributions can be split once a year in the financial year following the year the contributions were made.

Is your spouse eligible for a Government co-contribution?

If your spouse earns less than \$53,564 (for the 2019-20 financial year), by making after-tax contributions they may qualify for a Government co-contribution of up to \$500. If their income is \$38,564 or less for the 2019-20 financial year, they will receive 50 cents for every dollar contributed up to the maximum. Co-contributions reduce as income increases, stopping once the upper income threshold is reached.

If eligible, the co-contribution will be automatically assessed and paid into their Fund account once their tax return has been assessed for the relevant financial year.

Insurance

If you are an Eligible Spouse Member, you can apply for voluntary death-only or voluntary death and Total and Permanent Disablement insurance cover.

Becoming a Spouse Member

For details about membership in the Spouse Division, making or splitting contributions or Government co-contributions, read the **Features Guide**, available on the Fund website. If your spouse wants to become an Eligible Spouse Division Member, please complete and return the *Application for spouse membership* form.



Global market update

Hope for markets amid Covid-19 turmoil

As central banks around the world enact emergency measures and equity markets continue to behave erratically, many investors and retirees are understandably concerned about the prospect of long-lasting financial turmoil in the face of the coronavirus.

However, leading market strategist and investment commentator, Yaying Dong says there are several reasons to feel optimistic.

Controlling the virus

The biggest change has been in China, ground zero for the COVID-19 outbreak, where new infections and deaths have fallen sharply as the result of two months of control and mitigation measures. The country's manufacturing sector is ramping up again and daily life is becoming freer.

"Looking at the information coming out of China, I think we definitely can be optimistic that COVID-19 can be brought under control," Dong says. "Governments that enact strong measures are achieving concrete results. The virus itself is not going to persist for an indefinite period."

Strong bank action

Central banks around the world have cut interest rates – in the United States to near zero and the Reserve Bank of Australia has recently cut interest rates to a record low 0.25%. In addition, it is considering other measures to help stimulate the economy, such as enacting so-called quantitative easing to ensure normal market operation.

Dong believes these bold moves should serve as an encouragement to investors.

"We're gaining more confidence that the central banks are going to take an active role and ensure there is enough market liquidity," he says. "Central banks have come in fairly aggressively to make sure financial markets continue to function."

Governments are responding, too

In Australia, the Federal Coalition Government announced an initial stimulus package worth \$17.6b—equivalent to 0.9% of GDP—to address the impact of both coronavirus and the summer bushfires.

A second round of stimulus measures worth \$66 billion to support workers and small businesses was announced but this has been eclipsed by a \$130 billion wage subsidy package.

"The Federal Government was always in a good position to engage in fiscal stimulus given low levels of government debt to GDP; around 40%," Dong says. "This places Australia in a strong position against major OECD peers and we're anticipating further stimulus, both in the near term and later."

Meanwhile, New South Wales, Western Australia and Tasmania have announced stimulus measures, with other states likely to follow.

Markets remain volatile

Despite encouraging signs, the Australian share market is still highly volatile; the market has shed more than a quarter of its value since reaching record highs in late February, but experienced its biggest one-day surge in decades on Monday 30 March.

"The near-term economic conditions are going to be fairly ugly and the market is factoring in the real prospect of a recession," Dong explains. "But this virus is not going to last forever. When it is contained, we are likely to see a very strong rebound in activity."

Diversity offers a shield

It is important to understand that superannuation investment portfolios are diversified, so for most people, not all super assets are invested in the share market.

Yaying Dong works as an investment strategist in Mercer's Delegated Solutions Business across the Pacific region and is responsible for providing in depth analysis and insights on the global economy with a focus towards driving dynamic asset allocation across Mercer's multi asset portfolios.

Source: Mercer



Accessing financial advice – for free

Make sure you understand what these changes mean for you. Remember, you are able to call the Helpline on 1800 025 026 to speak to a financial adviser over the phone to help adapt your contribution strategy if necessary. Free general advice is available in relation to: Contributions, Investment strategies, Levels of insurance cover, and Starting a pension.



COVID-19: Accessing your super early

From Monday 20 April 2020, eligible individuals can apply to access up to \$10,000 of their super in the 2019-20 and 2020-21 financial years to help ease the pressure of the economic impact of COVID-19.

Our priority is to keep you informed about the changes, help you understand what the changes mean for you and provide support, so you can make the best decisions for your own personal circumstances.

Who is eligible to access their super?

To access your super under the special COVID-19 provisions, you need to meet one of the following requirements:

- you are unemployed, or
- you're eligible to receive a job seeker payment, youth allowance for job seekers, parenting payment (which includes the single and partnered payments), special benefit or farm household allowance, or
- on or after 1 January 2020:
 - you were made redundant; or
 - your working hours were reduced by 20 per cent or more; or
 - if you're a sole trader—your business was suspended or there was a reduction in your turnover of 20 per cent or more.

You must have accumulation-style super.

How much super can be accessed?

If eligible, you can access up to \$10,000 in the 2019-20 financial year and a further \$10,000 next financial year (2020-21 – up to 24 September 2020) under the special COVID-19 provisions.

Please note generally only one withdrawal is permitted per financial year, for example if you withdraw \$8,000 mid-April 2020, you are not eligible to access the remaining \$2,000.

You will not need to pay tax on the super withdrawn and it will not affect any Centrelink or Veterans' Affairs payments.

How to apply

If you meet the eligibility requirements, you can apply to the ATO through your **myGov account**.

Accessing your super

Everyone's situation and circumstances are different, so it is important to consider the long-term implications on your retirement savings and what it might mean for you.

Speaking to a financial advisor may help you make an informed decision.

Please note there may be insurance implications if you choose to take money out of your super.

For more information, refer to the **Insurance Guide** in the **Product Disclosure Section** of the Fund website www.gsjbw.superfacts.com, you may also visit the Government's Moneysmart website, www.moneysmart.com.au.

CONTACT US



To request additional information or to have copies of any the application forms sent to you directly, please contact our Member Services team.

Member Services

Email: GSJBWAdmin@mercer.com

Helpline: **1800 025 026**

If calling from overseas dial **+61 3 8687 1868**

Fund website: www.gsjbw.superfacts.com

Important Note:

This newsletter is provided by Mercer Consulting (Australia) Pty Ltd ABN 55 153 168 140 AFS Licence #411770. Mercer has been appointed by BEST Superannuation Pty Ltd ABN 57 070 732 008, the trustee of the Goldman Sachs & JBWere Superannuation Fund ABN 55 697 537 183 (Fund), to provide general financial product advice to Fund members.

The newsletter has been prepared for the general information of Fund members. The information and any advice in this newsletter is for educational purposes and general information only and has been prepared without taking into account any member's individual objectives, financial situation or needs. Therefore, before acting on any information contained in this newsletter, you should consider its appropriateness having regard to your objectives, financial situation and needs and you may wish to seek professional advice from a licensed or appropriately authorised financial adviser that takes account of your situation before making any decisions about your super. Any statements of law or proposals are based on Mercer's interpretation of the law or proposals as at 30 April 2020. While all due care and diligence has been taken in the preparation of this newsletter, Mercer and the Trustee reserve the right to correct any errors or omissions. If there are any inconsistencies between the terms of the Fund's trust deed and this newsletter, the terms of the trust deed prevail. Also, if there are any inconsistencies between group insurance policies held by the Trustee and this newsletter, the terms of the policies prevail.

BEST Superannuation Pty Ltd (Trustee) ABN 57 070 732 008, trustee of the Goldman Sachs & JBWere Superannuation Fund (Fund) ABN 55 697 537 183