Spouse accounts

ESSSuper
Emergency Services & State Super

Because you're a member, your eligible spouse can also enjoy the benefits of our exclusive and award winning funds.

What products can my spouse access at ESSSuper?

An eligible spouse (including defacto and same sex partner) can open a Retirement Income Stream, Working Income Stream and Accumulation Plan account.

ESSSuper's Retirement Income Stream

This product can provide a regular income for ESSSuper members who have attained their preservation age and permanently retired from the workforce or meet another condition of release. Further detail can be found in the *Retirement Income Streams fact sheet* or the *Income Streams Product Disclosure Statement*, available at **esssuper.com.au**.

ESSSuper's Working Income Stream

This product allows you to convert part or all of a preserved superannuation lump sum into an income stream, even if you are still working. You generally need to have reached your preservation age to use this product. Many members use a Working Income Stream when they have decided to reduce their working hours, and need to top up their income. Further details can be found in the *Working Income Streams fact sheet* or the *Income Streams Product Disclosure Statement*, available at **esssuper.com.au**.

ESSSuper's Accumulation Plan

An Accumulation Plan account may be a suitable product for building up or for consolidating super. Some members like the idea of being able to manage all of their super in the one place.

Strategies for spouse accounts

Members and their partners can meet with a Member Education Consultant and discuss their super options at no cost. The following strategies may help you decide if an account with ESSSuper is suitable for your partner.

1. Consolidate your super

If your spouse has super accounts elsewhere, they may find it beneficial to consolidate them. This might help save on fees and monitoring investment performance. Members of the ESSSuper accumulation plan have the option to transfer insurance from other funds. Subject to eligibility conditions contained in the Accumulation Plan Insurance guide.

Your partner should check whether their fund(s) charge any exit fees or penalties before consolidating their super.

The fund that your spouse is rolling over from may charge an exit fee or penalties. Cancellation of their account may affect any insurance cover or other benefits they have with that fund.

2. Contributions splitting

In some circumstances you as a contributing member of a super fund may transfer up to 85% of your concessional contributions (e.g. employer and salary sacrifice) into your spouse's superannuation account.

This may be useful in situations where one spouse has a smaller account balance. By splitting contributions the accounts become more evenly balanced and you can make the best use of the tax free thresholds. In addition your spouse may wish to maximise their super.

Defined benefit fund contributions can't be used for contributions splitting and contributions splitting counts towards your concessional cap (not your spouse's).

3. Spouse contribution

Contributing to your partner's super may earn you a tax offset that reduces your tax. The offset applies to after-tax contributions of up to $3,000 per year on behalf of an eligible spouse.

To receive the full 18% offset of $540, your partner must earn less than $40,000. Once their income exceeds $37,000, the offset reduces dollar for dollar and stops at $40,000.

To qualify for the offset some of the key considerations and requirements are:

- you must contribute directly to your partner's super
- your partner's assessable income (plus reportable fringe benefits) must be less than $40,000 for the financial year
- you must both be Australian residents for tax purposes when you contribute

- if you contribute to your spouse's super, it counts towards your spouse's non-concessional contributions cap
- the spouse tax offset cannot be claimed if the spouse receiving the contribution has a total super balance of $1.6 million or more before the start of the financial year in which the contribution is made.

The receiving spouse has to be under the age of 65, or if they are between 65 and 69 they must meet work test requirements.

Choices available in ESSSuper products

You can choose from ten investment options, which range from shares to cash. This includes a term deposit[1] option for those looking for a fixed investment return. You choose the mix that suits you.

Income streams can pay income at a choice of intervals from fortnightly to yearly.

Insurance is also available as a part of the Accumulation Plan[2] should you or your partner need protection against the financial impact of death, illness or disability. Please see details of insurance benefits, terms and conditions in the PDS available at **esssuper.com.au**

Case study

Sue, an ESSSuper member, and Peter, her spouse, are both 57 and are planning to retire in the new financial year. At a previous meeting two years ago, Peter opened an Accumulation Plan account as an eligible spouse of Sue. He and his employer have been contributing to it since then.

Both Sue and Peter salary sacrificed $15,000 each into their own Accumulation Plan accounts this year. Their total superannuation account balances are $400,000 and $100,000 respectively.

As both Sue and Peter would like to draw down funds to enjoy their retirement, they decide to split $10,000 of Sue's $15,000 contribution into Peter's super, prior to retiring.

The benefit of this is that Peter will now have more money that he can access within his lump sum tax free threshold.

The lump sum tax free threshold is $205,000 of the taxable component each in the 2018/19 financial year and this can be utilised where you have retired after your preservation age and before age 60.

Things to consider

- If you are transferring super to ESSSuper from another super fund, it's worth checking to see if you will incur any exit fees from the fund you are leaving. You may also want to check that you do not lose any insurance when transferring your super, or ensure that you have your new insurance[2] activated with ESSSuper before closing the old account.
- Your account balance may be affected by market fluctuations. It is important to match your tolerance for risk, with your choice of investment options. Make an appointment to see an ESSSuper Member Education Consultant for general advice about your super, or with an ESSSuper Member Education Adviser or Financial Adviser[3] for personal financial advice. Our Investment Choice and Fees brochure may also assist you with this.

Here to help

For more information please contact our Member Service Centre on 1300 650 161 (emergency services members) or 1300 655 476 (state super members). The ESSSuper *Income Streams* and *Accumulation Plan Product Disclosure Statements* can be downloaded at **esssuper.com.au/pds**

1 Term deposits are 'locked in' for the term of the investment. Any income payments must be drawn from the other investments in your account.

2 CommInsure is a registered business name of The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035 (CMLA). The Board, through insurance policies underwritten by CommInsure, offers ESSSuper members life, total and permanent disablement and income protection insurance cover. Insurance cover through ESSSuper is provided on the terms and conditions set out in a contract of insurance between the Board and the insurer and may change from time to time.

3 ESSSuper Financial Advisers are authorised representatives of Adviser Network Pty Ltd (Adviser Network). Adviser Network holds a current Australian Financial Services Licence No. 232729 and is responsible for the financial services provided to you. ESSSuper has an arrangement with Adviser Network Pty Ltd to provide financial advice to ESSSuper members. ESSSuper pays Adviser Network a fee for this service. Neither the Board, nor the Victorian Government, guarantee or endorse any recommendations made by Adviser Network, or are responsible for the advice and actions of Adviser Network.

The ESSSuper Income Stream and Accumulation Plan products are dependent on investment returns from year to year. Investment returns can be positive or negative and as a result will have an effect on the balance of your Income Stream or Accumulation Plan. The payments made from these products are deducted from your balance. These factors will govern how long your Income Stream or Accumulation Plan will last. They are not guaranteed for life or underwritten by the Victorian Government.

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