



A guide to understanding your super

For Ambulance Victoria operational employees

Proudly serving our members

Issued May 2015

Issued by the Emergency Services Superannuation Board ABN 28 161 296 741
as Trustee of the Emergency Services Superannuation Scheme ABN 85 894 637 037

ESSSuper 
Emergency Services & State Super

“We’re proud to be the dedicated, not-for-profit super fund serving people like you; people who serve to help our community.”

Disclaimer

This document is issued by Emergency Services Superannuation Board ABN 28 161 296 741 the Trustee of the Emergency Services Superannuation Scheme ABN 85 894 637 037 (ESSSuper). The information contained in this document is of a general nature only. It should not be considered as a substitute for reading ESSSuper’s Product Disclosure Statement (PDS) that contains detailed information about ESSSuper products, services and features. Before making a decision about an ESSSuper product, you should consider the appropriateness of the product to your personal objectives, financial situation and needs. It may also be beneficial to seek professional advice from a licensed financial planner or adviser. An ESSSuper PDS is available at www.esssuper.com.au or by calling 1300 650 161.

About ESSSuper

We're one of Australia's largest super funds with over 140,000 members and over \$22 billion in funds under management. We have expanded our service offering to include fee-for-service (commission free) financial advice provided by a licensed financial planning organisation*. We have a range of products that can be used now, throughout your career and in retirement, including insurance options tailored for operational employees.

Keeping it simple

This simple super guide outlines your options available with ESSSuper throughout your career and in retirement. And, to help familiarise you with super, any words highlighted in blue throughout the guide have been defined in a glossary on page 9.

So, enjoy reading our simple super guide and take the steps toward a brighter financial future.

* Adviser Network holds a current Australian Financial Services Licence No.232729 and is responsible for the financial services provided to you. ESSSuper has contracted Adviser Network to provide authorisation under the Adviser Network AFSL for the provision of personal financial advice services to ESSSuper members. Adviser Network is paid a fee by ESSSuper for this service. Neither the Board, nor the Victorian Government, guarantee or endorse any recommendations made by Adviser Network Pty Ltd, or are responsible for the advice and actions of Adviser Network Pty Ltd.

How to contact ESSSuper

Our Member Service Centre can assist you with all enquiries regarding your benefit. If you want to discuss any aspect of your membership, or you want to make an appointment for a personal interview, you can telephone us between 8.30am and 5.00pm Monday to Friday. Making an appointment beforehand will ensure prompt service.

ESSSuper's contact details are:

Street address	Level 16, 140 William Street Melbourne Victoria 3000
Postal address	GPO Box 1974 Melbourne Victoria 3001
Telephone	1300 650 161
Facsimile	1300 766 757
Email	info@esssuper.com.au
Website	www.esssuper.com.au

Our website is an important source of information including the latest news, calculators, details of upcoming seminars and fund information.

The website also provides access to *Members Online*, a secure online area where you can access and manage your account 24 hours a day, including:

- View benefit estimates and statements
- Find transaction history
- View and change your contribution rate
- Begin an ATO Super Search and consolidate any located funds
- View your Accumulation Plan (if applicable)

Register or Login at **www.esssuper.com.au**

Your super: an overview

Super may not be high on your list of priorities. But at ESSSuper, our aim is to ensure you are armed with all the information you need to understand your super throughout your career.

Follow our five steps to see where your super will take you.

¹ The fund you are transferring or rolling over from may charge an exit fee or penalties. Cancellation of your account may affect any insurance cover or other benefits you have with that fund.

1. Prior employment

🔍 Employed prior to joining Ambulance Victoria?

- You may already have one or more accumulation style accounts with a retail or industry fund.
- You can track down your super including 'lost' super via www.ato.gov.au/superseeker

2. Training

📌 Upon employment with Ambulance Victoria

- Your ESSSuper ESSS Defined Benefit (DB) Fund membership commences.
- You can choose your contribution rate and complete all forms.
- You receive free operational death and disability insurance cover.
- You have the option to track down and consolidate¹ any other super accounts including 'lost' super through Members Online at www.esssuper.com.au.

3. Commence employment

i In Ambulance Victoria

- Your operational death and disability insurance covers you at home and work.
- You can attend a seminar or seek assistance from an ESSSuper Member Education Consultant on making the most of your super.
- You can revisit and change your contribution rate via Members Online, to ensure your savings remain on track.
- You can top up your super by contributing additional monies to another superannuation account such as to an ESSSuper Accumulation Plan account. You can also use the ESSSuper Accumulation Plan account to vary your level of death and disability insurance if required (subject to eligibility). Insurance premiums will change if you vary your insurance cover.

4. Before retirement

i Resign/change careers before retirement age

- You can seek assistance from an ESSSuper Member Education Consultant to understand your entitlements and options.
- If you want to stay with ESSSuper, you can open an ESSSuper Accumulation Plan account and provide your details to your new employer to make contributions on your behalf.
- Your benefit in the ESSS DB Fund will be calculated based on the defined benefit formula and you will have the option to transfer your taxed benefit to ESSSuper's Accumulation Plan, Income Stream (subject to eligibility), or another complying super fund. An untaxed option is also available for transfer to ESSSuper's Beneficiary Account.
- You are able to keep your ESSSuper account until retirement and beyond.

5. Retirement

i Retire from Ambulance Victoria or another employer on or after retirement age

- You can seek assistance from an ESSSuper Member Education Consultant to discuss your retirement options.
- If necessary, you can get personal financial advice from our qualified Financial Advisers.²
- You will receive your benefit based on the defined benefit formula plus any Accumulation Plan account balance.
- You can choose to take your lump sum or reinvest in an ESSSuper Income Stream, Accumulation Plan or Beneficiary Account (subject to eligibility), or transfer/rollover to another complying fund.
- Enjoy retirement with your hard earned super!

² ESSSuper Member Education Advisers and Financial Planners are authorised representatives of Adviser Network and will only recommend a product after considering its suitability for your financial needs.

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Your super: in detail

ESSSuper's ESSS Defined Benefit (DB) Fund, is specifically designed to suit the unique superannuation needs of Victorian emergency services workers such as you.

Super isn't simple. We certainly don't pretend that it is. What is certain is that we all need it. You've joined one of the most exclusive defined benefit funds in Victoria, so we'll endeavour to make understanding your super simple for you.

What is a defined benefit fund?

Rather than your employer paying the standard superannuation guarantee (SG) contributions that are subject to investment market performance, you are entitled to a defined benefit where you are guaranteed a specified amount in the event of resignation, retrenchment, retirement, disability, ill health or death. This specified amount is based on a fixed formula that includes your Final Average Salary and your accrued Benefit Multiple. Final Average Salary is the average of your salary in the last two years of service. Your Benefit Multiple is determined by the contribution rate you pay into your ESSS DB Fund, the length of time you have been a member and whether you work full time or part time.

The maximum taxed Benefit Multiple on retirement (including retirement due to disability), resignation or retrenchment will be 7.5 times your Final Average Salary. Your maximum Benefit Multiple can be reached by working full time and contributing your maximum contribution rate (see table opposite) for 30 years.

Because of these fixed formulas, defined benefit funds are also protected from investment market fluctuations, making them a safer option in volatile investment markets.

The ESSS DB Fund is one of only a few defined benefit funds that is still 'open' to new employees in Victoria. So your membership really is exclusive. However, exactly how effective it is for you is dependent on how you use it now and in the future.

Choosing your contribution rate

It is not compulsory to contribute to your super. However, it pays to understand the relationship between the amount you contribute into your ESSS DB Fund and the size of the benefit you will receive.

Your Benefit Multiple, which is part of the formula used to calculate your benefit, accrues according to your contribution rate(s) during your period of membership. This essentially means that the more money you contribute, the greater your benefits will be.

The following table shows the rates you can choose from if you wish to contribute to your ESSS DB Fund:

Prescribed contribution rates				
Contribution rate (after tax)	3.0%	5.0%	6.0%	7.0%
Equivalent contribution rate ³ (before tax)	3.6%	5.9%	7.1%	8.3%

You can choose to contribute from your before tax salary (salary sacrifice) or after tax salary. By contributing from your before tax salary, your contributions are deducted from your salary before tax is applied, reducing your taxable income. To determine if salary sacrifice is a suitable option for you, check out our salary sacrifice calculators at www.esssuper.com.au/calculators

The equivalent rates ensure that the benefit accrual rate is the same whether you choose to pay from your before or after tax salary. There is also a special contribution rate available if you choose not to contribute for a period of time or contribute less than the maximum rate to enable you to 'catch up' your accrued Benefit Multiple to the same level it would have been, had you contributed the maximum rate for the entire period. Full details of this option are outlined in the *ESSS Defined Benefit Fund Product Disclosure Statement* available on our website www.esssuper.com.au/pds

You have the option of changing your preferred contribution rate once per calendar year. So, if you initially decide to not contribute, in any future year of service, you can submit a *Change of Contribution Rate Percentage form* which is available from our website or by calling our Member Service Centre.

³ Equivalent contribution rate is the after tax rate increased to allow for the 15% contributions tax so that an equivalent net amount is contributed to your super.

Can I pay more into my ESSS DB Fund?

The simple answer is no. Your ESSS DB Fund accepts prescribed amounts up to a maximum contribution rate only, as outlined in the contribution rate table on page 4. ESSSuper's Accumulation Plan account accepts all types of additional contributions including personal contributions, transfers or rollovers from other super funds and superannuation guarantee contributions from other employers.

Contribution limits (caps)

The Federal Government sets limits (called contribution caps) on the amount of contributions made to all of your super accounts in a financial year. Any contributions above these contribution caps are subject to extra tax.

For more information about contribution caps refer to www.ato.gov.au or call the Member Service Centre on 1300 650 161.

Do you have super with another fund?

Have you worked in at least one other job before making your decision to join Ambulance Victoria? If so, you should have at least one super account elsewhere. It's even possible to have multiple super accounts, which could mean you are paying unnecessary fees.

Also, if you have moved home and have not updated your details with each super fund, you may have been classified as a 'lost' member. If you provide your consent to ESSSuper, we can search the Australian Taxation Office (ATO) on your behalf for other superannuation accounts. Simply logon to Members Online at www.esssuper.com.au, and follow the prompts.

At this point, you may choose to consolidate⁴ any super you might have from other super funds. ESSSuper's Accumulation Plan is a product we provide to allow Defined Benefit members to accumulate additional super. The ESSSuper Accumulation Plan can accept rollovers of trustees from other funds. The benefits of keeping all your super in one fund include:

- you only pay one set of fees
- it is easier to manage and keep track of your super, and
- you will reduce the number of statements and paperwork you receive.

An account you can keep for life

As an ESSSuper member, you can use an Accumulation Plan account wherever life may take you both during and after working with Ambulance Victoria. This means you may never need another super fund. So, before life with Ambulance Victoria gets too hectic, it's a great time to consolidate all your other super account balances into one account.

Consolidate your super today!

It's very easy to do, simply:

1. Provide consent for an ATO super search via Members Online*
2. Select which funds to consolidate

* If you're not registered for Members Online go to www.esssuper.com.au

We'll take care of the rest and arrange for your super to be transferred into your new Accumulation Plan account on your behalf.

ESSSuper can even arrange to take over any insurance cover you may have.⁵

For more information about opening an ESSSuper Accumulation Plan account, please refer to the Accumulation Plan Product Disclosure Statement or visit our website www.esssuper.com.au

⁴ The fund you are transferring or rolling over from may charge an exit fee or penalties. Cancellation of your account may affect any insurance cover or other benefits you have with that fund.

⁵ Transferring your insurance to ESSSuper may result in an increase or decrease in premiums.

Major injury? We've got your back!

Your role in helping the community is vital; you should, however, also protect yourself and your loved ones in the event of a major injury, illness or death. Your ESSS DB Fund includes death and disability benefits at no additional cost to you. This is a formula based cover that projects your service to age 55.

To help you keep track of the insurance benefit payable, we include these details on your Annual Benefit Statement each year.

Insurance considerations

In assessing your death and disability cover, you may wish to consider:

- **Do you need additional insurance?**
Think about how much you would need to live on if you were off work for a long period due to an illness, or how much your family would need in the event of your death. You may find that the death and disability benefits provided in your ESSS DB Fund are not enough to suit your needs.
- **Are you joining Ambulance Victoria later in life?**
You may find that your death and disability cover is less than those who are younger, as the projected service to age 55 will be less.

If any of the above are relevant to you, you may wish to consider purchasing additional insurance. The Accumulation Plan offers a range of insurance options, including Death and Total and Permanent Disablement as well as Income Protection, to suit your needs.⁶

And, the best news is, with both the ESSS DB Fund and Accumulation Plan insurance options⁷ you are covered 24/7 for injury, illness or death, anywhere, any time – not just when you are at work. Take a look at our quick insurance calculator www.esssuper.com.au/calculators to help work out how much cover you need.

It's in the detail

There are of course many more details on how your insurance options work. More information on the ESSS DB Fund death and disability cover is available in the *ESSS Defined Benefit Fund Product Disclosure Statement*. Similarly, more information on the Accumulation Plan insurance options is available in the *Accumulation Plan Product Disclosure Statement*. Both documents can be found on our website at www.esssuper.com.au/pds or by calling the Member Service Centre on 1300 650 161.

Claiming your insurance benefit

If you are ever in a situation where you are considering applying for a disability benefit, download and read the *Claiming a Disability Benefit* brochure from our website www.esssuper.com.au which outlines the requirements for claiming a disability benefit from the ESSS DB Fund. Depending on medical evidence, the Board may approve you for a temporary, permanent or ill health disability benefit.

⁶ Subject to underwriting and acceptance limitations as provided by the Fund's Insurer.

⁷ Transferring your insurance to ESSSuper may result in an increase or decrease in premiums.

⚠ Contribution level linked to death and disability benefit

It is important to understand that the amount you contribute to the ESSS DB Fund has an effect on your death and disablement benefit. Not contributing to the fund may reduce any potential death and disability benefit you may be entitled to. The following example shows the difference to your death benefits by contributing at various rates.

Contribution rate 7% (Benefit multiple of 28%)

Joins at 25 but dies at 35

10 years x 28% = 280% or 2.80 x FAS

Plus projected benefit multiple to age 55

20 years x 28% = 560% or 5.60 x FAS
8.40 x FAS

Maximum benefit of 8.40 x Final Average Salary

Payable to dependants or nominees

Contribution rate 0% (Benefit multiple of 10%)

Joins at 25 but dies at 35

10 years x 10% = 100% or 1.00 x FAS

Plus projected benefit multiple to age 55

20 years x 32% = 640% or 6.40 x FAS
7.40 x FAS

Reduced benefit of 7.40 x Final Average Salary

Payable to dependants or nominees

Subject to tax if payed to a non dependant

Contribution rate 0% (Benefit multiple of 10%)

Joins at 25 but dies at 45

20 years x 10% = 200% or 2.00 x FAS

Plus projected benefit multiple to age 55

10 years x 32% = 320% or 3.20 x FAS
5.20 x FAS

Reduced benefit of 5.20 x Final Average Salary

Payable to dependants or nominees

We'll help you now and in the future

There are many things to consider both today and when you are winding down for retirement; Will I have enough super? How can I boost my super? What can I do to ensure I make the most of what I have? Is there anything else I can do now to prepare me for later?

Sound confusing? It doesn't need to be.

At ESSSuper, we know you work hard for your money, so we aim to make your super work hard for you. But it's not just about looking after your super. It's about helping you understand your super by offering a range of quality education and advice services. If you have any questions about your ESSS DB Fund or about opening an Accumulation Plan account, we're here to help.

- **Dedicated Member Service Centre**

Our Member Service Centre is available by calling 1300 650 161 between 8:30am and 5:00pm Monday to Friday. Our Consultants can assist you with your super, make appointments to see a Member Education Consultant and book you into any of our free super education seminars.

- **Free one-on-one personalised appointments**

Our Member Education Consultants offer free one-on-one appointments at our office or your workplace. They can help explain your options, provide you with benefit estimates, assist with any ESSSuper forms, and refer you to a Member Education Adviser or Financial Planner if required.

- **Financial advice services**

ESSSuper has an arrangement with Adviser Network Pty Ltd (AFSL No. 232729) to provide financial advice to ESSSuper members. Personal financial advice takes into consideration your personal financial circumstances and objectives. Personal financial advice is available on single super topics such as choosing an investment option or retirement adequacy. For more detailed advice comprehensive financial plans are also available.⁸

- **Online access to your super 24/7**

Our website www.esssuper.com.au contains detailed information about your super including forms and handy tools to help you work out if your super is on track. You can also register for our secure Members Online area where you can update your personal details, view your annual benefit statements, change your contribution rate, perform an ATO Super Search to find and consolidate your super.

- **Free super education seminars**

Our seminars have been designed to help you understand your super during various stages of your life. Details of upcoming seminars are displayed on our website. Bookings are essential as places are limited.

With so many things to consider, it's good to know your super will always be in good hands. So don't delay, get a head start and get the most out of your ESSSuper membership today.

⁸ ESSSuper Member Education Advisers and Financial Planners are authorised representatives of Adviser Network and will only recommend a product after considering its suitability for your financial needs.

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Glossary

Term	Meaning
Accrual Rate	The rate your Benefit Multiple accrues based on your contribution rate.
Benefit Multiple	Based on your Accrual Rate, your years of service and service fraction (ie. full time or part time), which are used to calculate your final benefit in the ESSS DB Fund.
Commission free	No commissions are payable to financial planners (upfront or ongoing), or ESSSuper.
Contributions	A payment to your super including employer SG contributions, before tax (salary sacrifice) and after tax contributions, or transfers or rollovers of amounts from other super funds.
Defined benefit	A type of super benefit. As opposed to an accumulation style account, a defined benefit is a benefit based on a formula that takes into consideration a number of factors to determine your final benefit such as years of service, contributions paid and final average salary. The ESSS DB Fund is a defined benefit fund.
ESSS Defined Benefit Fund	An ESSSuper defined benefit fund that pays benefits to members on retirement, resignation (or dismissal), retrenchment, ill health, death and disability. All benefits (except some disability benefits), are paid as a lump sum based on salary, period of membership, age and contribution rates during membership. All benefits are subject to preservation rules.
ESSSuper Accumulation Plan	An ESSSuper accumulation style benefit or account. The benefit is equal to the total of all contributions, plus or minus investment earnings on those contributions, less expenses, tax and withdrawals and any death and disability premiums. Benefits may be paid on retirement, resignation (or dismissal), retrenchment, death, disability and terminal illness. All benefits are paid as a lump sum. Members of the ESSS DB Fund may also make additional voluntary contributions to their Accumulation Plan ⁸ account or apply for additional insurance through this product. All benefits are subject to Federal Government prescribed preservation rules (see preserved benefit below).
Fee-for-service (commission free)	A term used to describe the type of billing used by some financial planning organisations, which means you are only billed at the time of the plan based on the time taken to prepare the plan.
Final Average Salary	The average of a member's salary over the final two years of employment.
Funds under management	The total value of the funds managed by ESSSuper at the time of writing, including all defined benefit and accumulation assets.
Operational employee	An operational staff member in accordance with the <i>Emergency Services Superannuation Act 1986</i> , such as an active Ambulance Paramedic.
Preserved benefit	The portion of a benefit that, according to Federal Government legislation, must be kept in the super system for retirement after your preservation age, unless you satisfy another condition of release.
Retirement age	Dependent on your date of birth, and subject to Federal Government prescribed preservation rules.
Rollover	The rollover or transfer of a super benefit to another super fund.
Accumulation style benefit	The benefit payable from a super fund that is based on a total of all contributions, plus or minus investment earnings on those contributions, less expenses, tax, death and disability insurance premiums and withdrawals.
Superannuation guarantee (SG)	Legislation that requires employers to provide a minimum level of super contributions for most employees.

⁸ Personal contributions into the Accumulation Plan are subject to contributions caps. Refer to www.esssuper.com.au for more information.

