

Member newsletter



Fire & Emergency Services
Superannuation Fund

Investment market report September 2021 quarter

- The Australian Share market (top 300 stocks) rose 1.8%
- The International Share market returned 4.0% in Australian Dollars
- The Australian Dollar depreciated against the US Dollar to just over 72c

The Australian share market rose 1.8% over the quarter, underpinned by robust company results during the recent reporting season. Nearly every sector ended the September quarter higher, with the Energy sector the best performer (+9%) due to a 17% gain in the

month of September alone. The unfolding global energy crisis, marked by soaring gas prices and tightness of supply in the Chinese market, boosted demand for energy stocks.

In Australia dollar terms, global equities rose over the quarter despite heightened volatility as a weaker Australian Dollar versus other major currencies helped lift returns for Australian based investors. Hopes of a continuing economic recovery, supported by generally robust corporate earnings, supported equities for much of the period. Gains were tempered by the spread of the delta variant of the coronavirus and inflation and interest rate worries.

The Reserve Bank of Australia maintained the current target cash rate at 0.10% per annum. The Australian Dollar depreciated against the US Dollar by 3.8%.

Member investment choice returns

The crediting rates for the various options to **30 September 2021** are as follows:

Option	3m	6m	1yr	3yr
Australian Shares	2.78%	11.01%	33.1%	9.15%
Cash	0.02%	0.03%	0.08%	0.72%
Fixed Interest	0.23%	1.15%	0.27%	2.93%
Growth	1.47%	7.54%	14.14%	9.64%
International Shares	1.66%	11.45%	14.40%	9.64%
Moderate	1.05%	5.42%	9.40%	5.04%
Smoothed	1.47%	7.54%	14.14%	7.96%

Member statements

Your annual Member Statement for the year ending 30 June 2021 is in the post and is also available in the Member Login area on the Fund's website www.fessuper.com.au.

To access your 2021 annual Member Statement on the website you need to click on the 'Member Login' access button on the home page and enter your secure personal details. Then click on the 'My reports' menu button on the right hand side of the screen. Then select 'My correspondence' and your annual statement will be listed as a portable document format (pdf) document for you to access.

If you are unable to access your annual statement by logging on to your secure account using the Fund website you should send an email to: admin@fessuper.com.au indicating the problems you have encountered in attempting to access your statement.

Report to members

The annual Report to Members for the 2020-21 financial year is in the post and is also available for you to read and download from the Fund's website www.fessuper.com.au.

To access the Report to Members on the Fund website you need to first click on the 'Publications' tab at the top right hand corner of the home page, and then click on the sub heading 'Report to Member' which is located under the general heading of 'Forms/ Resources'.

You then need to click on the pdf icon for 2021 Report which will open the document for you and enable you to print it if you wish to do this.

Defined Benefit options review

As many of you would be aware, at the suggestion of your member representatives, the Superannuation Board has been actively pursuing ways to improve the benefit design of the Fund following feedback from some members. Please note that the Superannuation Board has no statutory power to make any changes to the benefit design of the Fund, however it is committed to facilitating discussion amongst the relevant stakeholders.

The Board has been able to facilitate the forming of a Stakeholder Committee to further pursue this matter comprising representatives from the Minister's office, the Department of Fire and Emergency Services, the United Professional Firefighters Union of Western Australia and the Superannuation Board.

The review is moving forward following the first meeting of the Stakeholder Committee and more information will be provided to members when the Stakeholder Committee meets again in the 2022 year.

Any suggested changes to the benefit design will be communicated to all members at the appropriate time. In addition we ask members to note that if legislative changes are needed, these will take considerable time to develop and implement.

In the meantime, we would ask that members respect the efforts of our Board Members and Executive, as we all remain committed to fostering the required dialogue between the stakeholders in order to reach a resolution that is in the best interest of all members.



Increase in the contribution caps

Concessional Contributions

From 1 July 2021, the annual cap for concessional (before tax) contributions into your super account has risen to \$27,500. This cap is applied per person, not per super fund. This means if you have more than one super fund, all concessional contributions made to all of your super funds (including employer and salary sacrifice contributions) within a financial year are added together and count towards the same cap.

Members can make catch up salary sacrifice contributions into their super account using any unused concessional contributions cap amounts from previous years. To qualify, the member must have a total super balance of less than \$500,000 on 30 June of the previous financial year and not used all of their concessional contributions in previous years.

Under the rules, a member can carry forward up to five years of unused concessional contributions for use in a later financial year, but the rolled forward amount expires after five years. The five year carry forward period commenced on 1 July 2018, meaning 2019-20 was the first year in which a member could make catch up contributions.

The following table details the maximum voluntary salary sacrifice contribution rate you can contribute to remain under the \$27,500 annual cap (based on current salaries, you are a defined benefit member and you have no other superannuation being paid by another employer):

As an example, a Senior Firefighter salary sacrificing 7.353% (i.e. 6.25% net after the 15% contribution tax) towards their defined benefit can contribute an extra 13.0% to superannuation without exceeding the \$27,500 concessional contribution cap.

Non-concessional Contributions

All personal after tax contributions are referred to as non-concessional contributions. A non-concessional contribution cap of \$110,000 per financial year applies to members under the age of 75.

Members under age 67 may be able to bring forward two or three years worth of non-concessional contributions (provided they have not exceeded the non-concessional cap in any of the two previous years) and make non-concessional contributions of up to \$330,000 over a three year period.

Defined Benefit Accrual Rate	18.0%	21.5%
Defined Benefit Contribution Rate (after tax)	6.25%	9.75%
3rd Class Firefighter	17.0%	15.0%
1st Class Firefighter	14.0%	12.0%
Senior Firefighter	13.0%	11.0%
Station Officer	10.0%	8.0%
Area Officer	8.5%	6.5%
District Officer	7.5%	5.5%
Communications Systems Officer Level 2	18.0%	16.0%
Communications Systems Officer Level 4	15.0%	13.0%
GOSAC Level 3, 1st year	23.0%	21.0%
GOSAC Level 4, 1st year	19.5%	17.5%
GOSAC Level 5, 1st year	17.0%	15.0%
GOSAC Level 6, 1st year	13.0%	11.5%
GOSAC Level 7, 1st year	10.0%	8.0%

Board member representative elections

The results of the recent ballot held in August 2021 by the WA Electoral Commission for Member representatives on the Fire and Emergency Services Superannuation Board and changes made to the composition of the Superannuation Board are as follows.

Board Members

Mr Michael Bailey was elected by the members of the Fund as a Board Member for the period 19 August 2021 to 18 August 2024. Mr Kevin Landwehr was elected by the members of the Fund as a Board Member for the period 19 August 2021 to 18 August 2022.

Alternate Board Members

Mr Paul Markovic, Mr Tom Nolan and Mr Tim Quinlan were elected as Alternate Board Members for the period 19 August 2021 to 18 August 2022.

Current Board Members

- Mr Frank Sciarone (Chairman)
- Mr Kevin Jolly
- Ms Karen Lamont
- Mr Michael Bailey
- Mr Kevin Landwehr
- Mr Boyd Winton

Alternate Board Members

- Mr Richard Burnell
- Mr Paul Markovic
- Mr Tom Nolan
- Mr Tim Quinlan



Certified identification requirements

The Fund has relaxed the rules in regards to providing certified identification. For all first-time payments to a bank account, you are required to provide a certified copy of your identification. For all subsequent payments to the same bank account, you will **NOT** be required to provide certified identification.

Retirement seminars

Retirement Seminars are being planned to be held in the new year. Dates will be advised shortly.

Other employer contributions

Only the Department of Fire and Emergency Services (DFES), the United Professional Firefighters Union of Western Australia and the WA Volunteer Fire and Rescue Services Association (Inc) can make employer contributions to your Fire and Emergency Services Superannuation Fund account, so if you have a second job, you will need to have these additional employer contributions made to another super fund.

You can ask your second employer who their default super fund is or you can choose your own fund. The key features you could consider are:

- What are the fees and charges?
- Does the fund offer life insurance, what insurance cover is provided and how much does it cost?
- Does the fund offer investment options that suit you?
- What other benefits does the fund offer you?
- Does the fund have a proven track record?

Annual General Meeting

The Minutes of the Annual General Meeting held on 8 November 2021 will be available on the Fund's website fessuper.com.au

Office closure

Members are advised that the Superannuation Office will be closed from noon on 23 December 2021 and will re-open on Tuesday 4 January 2022.

The Board and Staff wish you and your family a Merry Christmas and a safe and happy New Year.

For more information on any of these articles, please contact the Superannuation Office.



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