



7 Simple Steps To Boost Your Superannuation

17-Page Guide Reveals Savvy Strategies To Set Up
For A Self-Funded Retirement Years Earlier





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Chapter 1: Super & Retirement Debunked

How much do you really need to comfortably retire in 2022? *How the decision you make today can impact the next 20-40 years.*

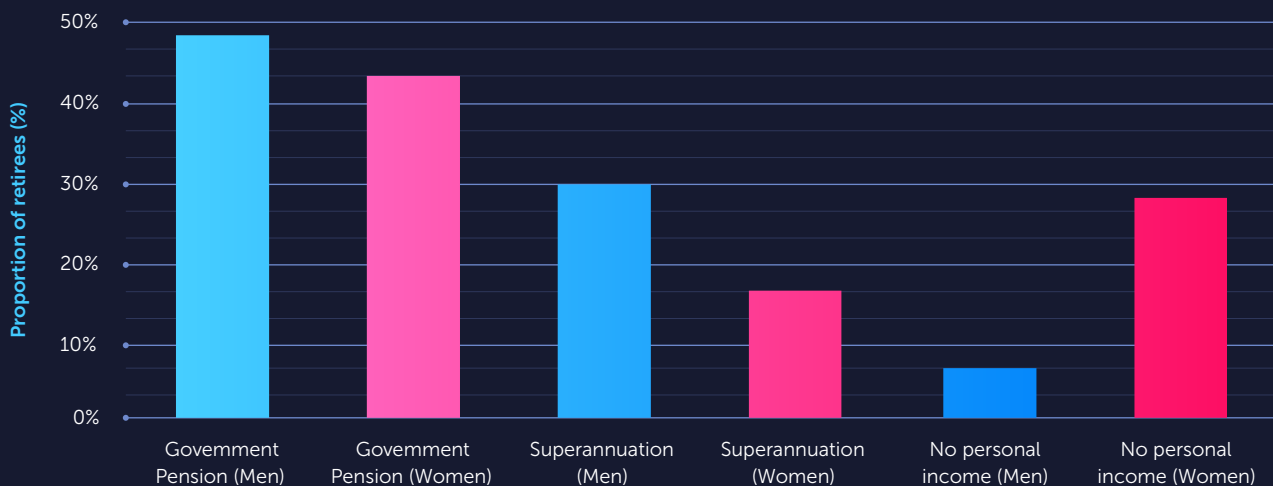
In Australia, we're incredibly blessed in both where we live, and how our general financial climate performs. In the busyness of life, superannuation and retirement can quickly get swept aside as we work toward our careers, starting a family and enjoying life in between. Unfortunately for many though, this 'backburner' approach can have dramatic effect on people's ability to retire. Often leading many to an unfavourable outcome; a pension-reliant retirement.

What's even more shocking is the percentage of retired Australians aged 45 and over who rely on the government pension as their main source of income:

49%
of Men

44%
of Women

Australian Retirees & Their Main Income Source (%) ¹



According to the Australian Bureau of Statistics (ABS) 2018-2019 report on Australian retirement, they found that the full single rate age pension only provides around 27% of full-time adult average weekly earnings¹

Meaning that nearly half of the Australian population are living (and often reliant on) just \$25,677.60 a year for singles, or just \$38,708.80 a year as a couple²...

That's to cover accommodation, food, bills, transport, health, insurances, clothing, entertainment, pets, kids, grandkids...the list goes on. And that's without spending a cent ticking anything off the bucket list.



Normal Pension Rates Australia (2022) ²

Per fortnight	Single	Couple (each)	Couple (combined)	Couple apart (due to ill health)
Maximum basic rate	\$ 900.80	\$ 679.00	\$ 1,358.00	\$ 900.80
Maximum Pension Supplement	\$ 72.70	\$ 54.80	\$ 109.60	\$ 72.70
Energy Supplement	\$ 14.10	\$ 10.60	\$ 21.20	\$ 14.10
Total	\$ 987.60	\$ 744.40	\$ 1,488.80	\$ 987.60



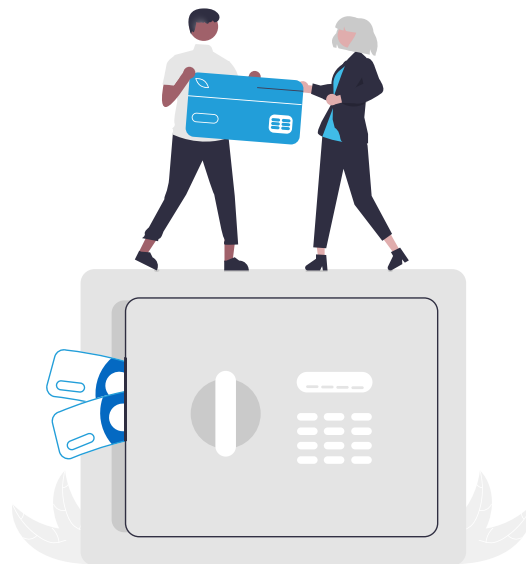
¹ (Australian Bureau of Statistics, 2020)

² (Australian Government, 2022)

So how much do you really need to self-fund your retirement?

The answer is – there’s no set amount, it all depends on the type of lifestyle you want to live.

The Association of Superannuation Funds of Australia (ASFA) provides an industry retirement standard. This estimates how much money you’ll need, depending on your lifestyle:



ASFA Retirement Standard (2022) ³

ASFA Retirement Standard <small>Dec 2021</small>	Comfortable lifestyle	Modern lifestyle
Single	\$ 45,962 a year \$ 880 a week	\$ 29,139 a year \$ 558 a week
Couple	\$ 64,771 a year \$ 1,241 a week	\$ 41,929 a year \$ 803 a week



³ (Association of Superannuation Funds of Australia, 2021)

So, working off a 20-year 'comfortable' retirement the average Australian would need:

\$919,240 as a single

\$1,295,420 as a couple

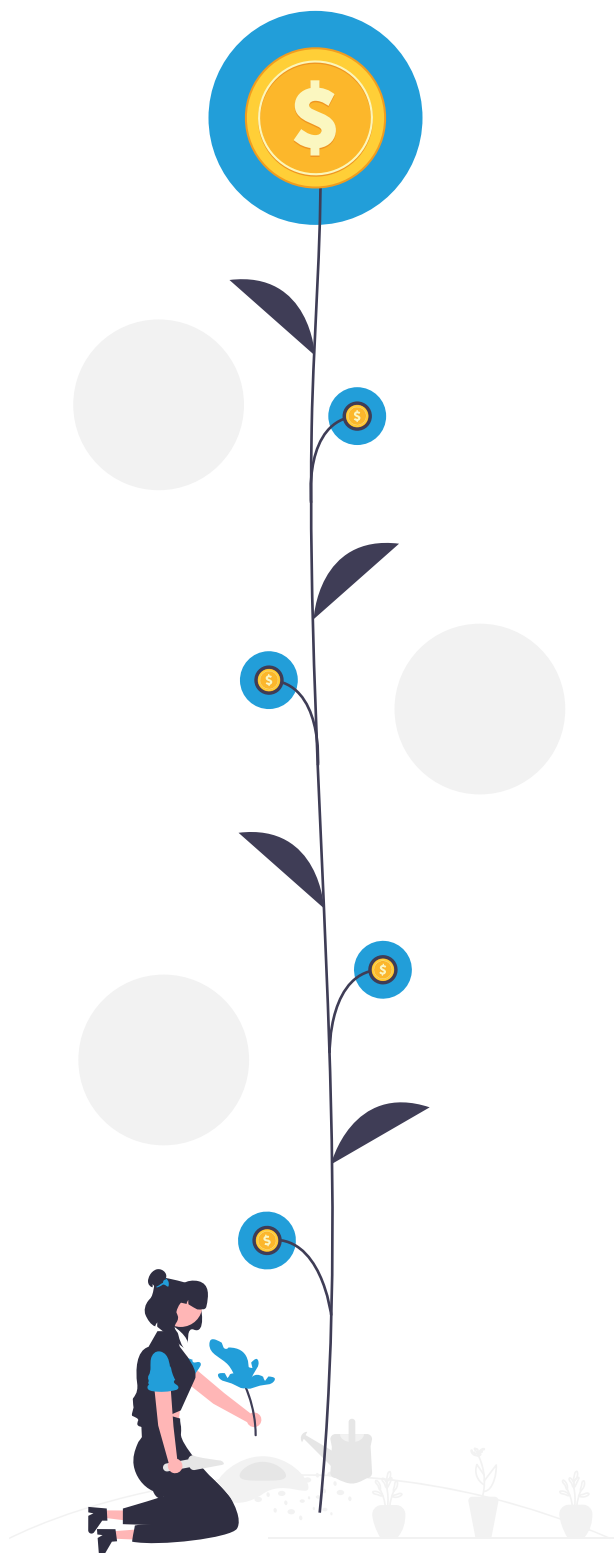
(Note – These figures are given as a guide only and may not be suitable for your unique circumstances).

For many Australians, this can be an overwhelming number – especially when they look at their current superannuation balance. As with most 'blanket' rules, these figures are not hard and fast, however, working off guidance can often be a great place to start. By working out your own 'ideal financial picture' and having concrete numbers to work off, you will likely have a much clearer understanding of what you will need in your superannuation, come retirement.

However, with rising cost of living, and limited time in the workforce it's not surprising that many Australians are feeling anxious about their financial futures. With the looming retirement of many Australians and an increasingly uncertain economy, it's hard to know exactly how much money will be enough in 10, 15 or 20 years. So, what can you do to best prepare?

Simply put - start preparing as soon as possible.

While a lot of people rely on their superannuation to fill this void, these figures highlight the total amount the average person or couple should work off, on an annual basis. This could also be contributed to by assets such as savings, home equity and other investments. Point is – superannuation is merely one piece of the retirement puzzle and should be considered with a big-picture lens.



Chapter 2:

7 Simple Strategies to Boost Super

The keys to setting up for an early, self-funded retirement.

It's amazing how much of a difference a small change can make long term. When it comes to getting your money to work harder for you, the power of compound interest is an invaluable ally. In this section, we'll cover 7 simple strategies that can help to boost super returns – but beforehand, it's worthwhile taking a moment to ask yourself the following 10-questions:

1. What is my ideal 'target figure' for superannuation?
2. What is my current super balance?
3. What is the difference between these numbers?
4. When do I want to retire?
5. How many years do I still have in the workforce?
6. What are my current super contributions?
7. How is my super currently operating? (i.e., Managed or Self-Managed)
8. What are my average returns over the past 5-10 years?
9. What returns do I need to generate to meet my goals?
10. How much risk am I willing to take, at this stage in life?

Before looking into any of the following strategies, it is always recommended to seek relevant financial or taxation advice from a qualified financial professional. There are generally terms and conditions around each of these strategies, and as such, they may not be suitable or available based on your unique circumstances.

Strategy 1: Review Your Existing Super

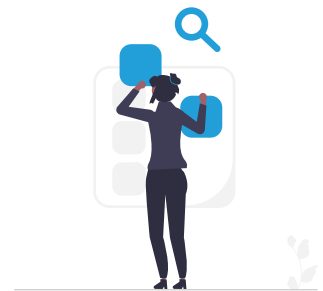


While this may sound simple, making the time to sit down and overview your existing performance is a great place to start. Creating a habit of checking your returns monthly, quarterly or annually will help you to keep a 'pulse' on your funds and can pay dividends in the long run. The best part about this strategy is it's as simple as setting a time & date in your calendar.

Common things to peruse include the type of fund you have, who you are invested with, the fees involved, investment options and long-term returns. (*Noting that past performance is not an indication for future performance*).

Strategy 2: Find Any 'Lost' Super

If you've previously changed jobs, your name or address, you may have lost track on some of your super. This could be held by another super fund or by the Australian Taxation Office (ATO). Finding this super and bringing it together can be a great way to reduce the amount of fees you are paying, and simplify the management of things moving forward.



According to MoneySmart, here's the [simple 4-step process](#) to find any lost super:

1. Go to [my.gov.au](#).
2. Log in or create an account.
3. Link your myGov account to the ATO.
4. Select 'Super'.

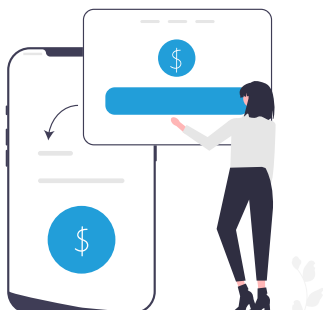
This will enable you to:

Check the details of all your super accounts (including any you've lost or forgotten)

Check for ATO-held super

Consolidate your super into a single fund

It's important to note that it may take up to 6-months to show up in myGov if you've recently opened a new super. You can also find lost super through a paper form, via the [ATO website](#).



Strategy 3: Consolidate Your Accounts

This works in tandem with the first two strategies but consolidating your super can be a great way to simplify things moving forward. By having everything in one account, you may be able to save on fees, and boost your balance, by achieving better returns.

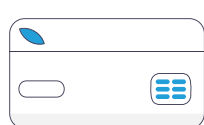
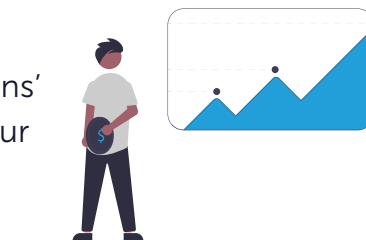
It is important to note, that many people choose to keep a second account to avoid losing out on things like insurances or tax benefits. It is recommended to speak with your trusted financial advisor, insurance broker, accountant or other financial professional to ensure you are making an informed decision.

Strategy 4: Salary Sacrificing

Also known as 'voluntary contributions' or 'pre-tax contributions' salary sacrificing involves the process of 'sacrificing' part of your pre-tax salary, and having your employer redirect it to your super fund. But why might you consider doing this?

The payments made, known as 'concessional contributions' are taxed at a reduced rate of 15%. Generally, this will be less than someone's marginal tax rate (if you earn over \$37,000 a year), meaning that you're able to both reduce your taxable income and boost retirement savings simultaneously.

It is important to note that the combined total of your employer and salary sacrificed contributions must not be more than \$27,500 per financial year⁴.



Strategy 5: After-Tax Super Contribution

You can also make contributions to your superannuation using after-tax pay. These payments, known as 'non-concessional contributions' can be made up to \$110,000 per year. As you've already paid tax on the money, these contributions are deemed as 'non-concessional', however, may be eligible for tax deductions as can be found via the ATO website [here](#). For those who have recently received an inheritance, bonus or sold an asset (such a house, investment property, car, boat or other), this strategy may be worth looking at.

Strategy 6: Spouse Contributions

If your spouse is currently earning low (under \$37,000 per year) or no income, you may be eligible to make a 'spouse contribution'. This contribution allows partners to essentially 'top up' the others super, which affords a tax advantage to the higher-income earner and helps to booster the lower-earning partners funds. Full information can be found via the ATO's contribution splitting page [here](#) and super-related tax offsets [here](#).



Strategy 7: Self-Managed Super Funds

A self-managed super fund (SMSF) is a private super fund, that you manage and are responsible for. With an SMSF, you chose what you invest in, and what insurance you desire. An SMSF usually have two or more members but can have up to six. As a member of the fund, you are a trustee (or you can get a corporate trustee). Either way, you are responsible for the fund.

We will overview SMSF's in further detail in the next section, however, the MoneySmart [SMSF guide](#) can give further guidance on whether an SMSF is right for you.

⁴ (Money Smart, 2022)

When it comes to superannuation, and how it's invested, there are two main options:

1 Managed: Someone else invests on your behalf - through a traditional super-fund

2 Self-Managed: You invest your own funds - through a SMSF

Currently, SMSF's make up 25% of all super assets, collectively holding \$822 billion of the \$3.3 trillion in super assets under management (as of June 30, 2021).

But you're probably wondering, which is the better option for me?

The answer will depend on your goals and current financial position. The next section of this guide will overview key considerations for both managed & self-managed funds, to give a better understanding of each.

**The information contained in this guide is general in nature, so it's best to seek independent professional advice to determine whether setting up an SMSF is appropriate for your circumstances. You can get independent advice from a licensed financial adviser.*

Chapter 3:

The 4-Key Considerations You Need to Know

Managed Funds

With managed funds (also known as industry or retail funds), most people can choose which fund they have their super contributions paid to. There are a variety of considerations when selecting a fund, which will be outlined in below. We've also included a list of resources that may assist you at the base of this section.

Factor 1: Performance

While past performance is not an indicator of future performance, assessing your funds performance over at least 5 years is generally a sound starting point. If you're thinking of switching funds, comparing 'like with like' is generally a prudent approach (i.e., comparing a balanced option with another balanced option over a certain period).

Factor 2: Fees

While fees will be associated with any managed super fund, minimizing them can be a great way to boost your balance long-term. These will generally be paid as a dollar amount, a percentage or both. It is also a good idea to check any statements, to ensure there are no hidden or unknown fees coming out of your account.

Factor 3: Insurances

Super funds generally have 3 types of member insurance:

1. Income protection
2. Total & permanent disability (TPD)
3. Life (or death) cover

When assessing these, it's important to understand the related premiums, cover amounts and any exclusions or definitions that may be relevant to you and your circumstances.

Factor 4: Investment Options

Most funds allow members the choice from a range of investment options. While some funds control the full weighting of different asset types, others will allow members to allocate greater weight to assets or direct investments. Common investment options include:

1. Growth
2. Balanced
3. Conservative
4. Cash
5. Ethical
6. MySuper

Recommended resources by MoneySmart:

[ATO's YourSuper Comparison Tool](#)

[Canstar's Super Fund Comparison Tool](#)

[RateCity's Super Fund Comparison Tool](#)

Self-Managed Super Funds (SMSF's)

Unlike managed funds, SMSFs give you complete control over how and where your super is invested. Through an SMSF, you can directly invest in, or purchase assets such as property, cryptocurrencies, precious metals, shares, antiques, art and collectables. As touched on in Chapter 2, SMSFs can be 'shared' or 'pooled' with up to 6 people. When considering if an SMSF is the right choice for you, it's worth consider the following factors.

Factor 1: Responsibilities

Taking control of your superannuation through an SMSF, does come with greater responsibilities. As a member of an SMSF, you will be responsible for the fund. This includes, but is not limited to, responsibility around decisions, managing returns, insurances, costs, auditing and ensuring the fund is legally compliant. It is prudent to understand the full scope of required responsibilities and planning for potential changes in circumstances ahead of time. For greater detail of potential responsibilities please see the MoneySmart [SMSF guide](#).

Factor 2: Time Commitments

Generally speaking, managing an SMSF can be time consuming. Once the fund is setup, SMSF members will generally have on-going time commitments, structuring their investment plans, researching investment options, sitting with financial professionals, record keeping and other related activities.

Factor 3: Costs

There are minimum balance requirements needed for an SMSF to be cost-effective. There are a range of setup costs associated with an SMSF, that will generally fluctuate depending on who you use to setup the account. On-going costs may include investing, account, auditing and related financial, legal or tax advice.

The positive in this is that operating expenses incurred by an SMSF are mostly tax deductible, under general deduction provisions – see the ATO's SMSF Deductibility of Expenses Guide [here](#) for full info .

Factor 4: Investments

As an SMSF member, you will be responsible to create and manage an SMSF investment strategy. As discussed earlier, SMSF's allow members to purchase assets such as property, cryptocurrency, precious metals and shares. Members should understand that they will be responsible for the returns generated through their SMSF, and the investments they chose may not bring in the returns they expect.

Managed Super Funds



Pros:

Relatively simple to setup, check returns & manage.

Less time consuming, as your super is managed by the fund.

You will have a point of contact to discuss options with.



Cons:

May generate average or below-average returns.

Limited control over where funds are invested.

Depending on your fund, may have high (or hidden) fees

Self-Managed Super Funds



Pros:

Complete control of how your super is invested.

Flexibility to make changes or decisions on your investments.

Can invest in assets like property, cryptocurrency or metals.



Cons:

Require a minimum balance to be cost effective.

On-going cost & time commitments.

Greater level of responsibility for SMSF members.

Chapter 4: Where Can You Invest With An SMSF?

The 5 Options for Building a Balanced Portfolio

As discussed in chapter 3, an SMSF gives its members the ability to invest in various alternative assets and investments.

But with so many investment options available, it's hard to know where to start. A simple 3-step process you can keep in mind when investing is: Plan, research, diversify.

The following 'risk pyramid' is designed to help you understand potential investment options, and their level of risks. While this diagram is by no means concrete, it should give guidance as to potential weighting options and general risk levels of different assets & investments.

While this pyramid can help give guidance, speaking with your financial advisor will help you to find a suitable portfolio balance – tailored to your unique circumstances and situation.



1. SPECULATION <ul style="list-style-type: none"> - Cryptocurrency - Futures/Options - Collectibles 	2. GROWTH <ul style="list-style-type: none"> - Small/Large Cap Stocks - High Income Bonds - Equity/Mutual Funds
3. SAFETY & INCOME <ul style="list-style-type: none"> - Real Estate - Blue Chip Stocks - Corporate Bonds 	4. FINANCIAL SECURITY <ul style="list-style-type: none"> - Government Bonds - Treasury Securities - Insurance & Annuities
5. FOUNDATION <ul style="list-style-type: none"> - Cash - Cash Equivalents - Term Deposit 	

1. Speculation: Generally, very high risk. This involves trading an asset or financial instrument with significant risk of capital loss. This risk is offset by the possibility of abnormally high returns, fuelling the motivation behind speculation.

2. Growth: Generally high risk. Unlike speculation, growth options are usually classed as investing (as opposed to speculating). Growth investments still aims for higher-than-average returns, however, does not strive for astronomical gains.

3. Safety & Income: Generally moderate risk. These investments generally offer a somewhat balanced mutual risk vs reward. They may be considered 'standard' investments as they generally make up a large % of an 'everyday' investor's portfolio.

4. Financial security: Generally low risk. These investments typically award a lower return than previous options, however, compensate with stability and consistency. These assets, teamed with fundamentals, are typical 'pillars' of a healthy, long-term Investment strategy.

5. Foundation: Generally, very low risk. The base and most stable portion of the pyramid that supports all other investments above it. These investments are the lowest risk and grant foreseeable returns. These options typically make up the bulk of a defensive investment portfolio.

Thank you for reading!

About NGS

NGS Group is a technology company that specialises in Digital Asset Mining. We help our members to achieve **fixed-rate returns ranging from 6%-16% per annum**, returning members their initial investment in-full at the end of their agreed term.

With hundreds of members internationally, and a proven track record of never paying out a member less than their advertised return over the past 5 years, NGS Group is establishing themselves as one of the leaders in the blockchain space.

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www.ngsgroup.io

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