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Financial advice is important to help you make the right decisions for your future. The choices you make today can affect the way you live in years to come. That's why it's important to spend some time researching your options and finding an adviser who is best suited to your individual needs.

What is personal financial advice?

Personal advice can help you clarify your current situation, define your future goals, and take the necessary steps to implement these actions.

A well-informed financial adviser will tailor their advice to your unique situation. Depending on the adviser's qualifications and experience, the advice may cover a range of topics including budgeting, investing, saving, paying off debt, tax effectiveness and retiring.

Do you need personal financial advice?

Personal advice may not be for everyone. Some people can successfully handle their own finances, including super and investments.

However, if you are considering personal advice, make sure you only approach advisers who are employed by or are authorised to represent a business that holds an Australian Financial Services (AFS) licence. An AFS licence can cover advice on super, insurance, shares, managed funds and other general banking products.

How to find an adviser

You can search for an adviser through a professional association, such as the Financial Advice Association of Australia (FAAA) or Certified Practising Accountants (CPA) Australia, who will have a list of their members who are financial advisers in your area.

Make sure your adviser holds a licence, or is employed by a licensed advisory business. The Australian Securities and Investments Commission (ASIC) licenses and regulates the financial advisory industry. You can check licence details at moneysmart.gov.au/financial-advice/financial-advisers-register.

To protect yourself, you should also be aware of individuals and companies listed on ASIC's register of unlicensed providers, available at moneysmart.gov.au/companies-you-should-not-deal-with.

If an unlicensed provider offers you services, you can help warn others by reporting them to a government agency. For more information on how to report a scam, visit asic.gov.au/about-asic/contact-us/how-to-complain/where-asic-can-help/scams.

Preparing for financial advice

This document provides you with a list of questions that may help you when choosing an adviser for both general super advice and for more specific advice about Gold State Super. For general super questions see page 2, and for questions about Gold State Super see page 3.

It's important that you choose a financial adviser who understands our unique super schemes. This is especially important if you have a Gold State Super account, and/or a West State Super account. Both these schemes have features that are not generally available with other super funds. Your adviser should understand the complexity and benefits of defined benefit and untaxed schemes.

Questions to ask when choosing an adviser

Do you hold an Australian Financial Services (AFS) licence?

Make sure your adviser has an AFS licence provided by ASIC.

To check whether a business or person is licensed visit moneysmart.gov.au/financial-advice/financial-advisers-register or call ASIC's information line on 1300 300 630.

Who is the owner of the business?

Ownership of the business can affect the products and services you are offered, for example if the business is owned by a large financial institution such as a bank.

Ask for a copy of their Financial Services Guide (FSG). The FSG will tell you who owns the business or if the business is associated with other companies. It will also include information on the products and services they offer, their fees and commissions, and their complaints resolution process.

What are your areas of expertise?

Check if the services offered are the services you are looking for. Advisers may have a large portfolio but may not cover all the products you have or need.

This is especially important when it comes to super, as the adviser may not be able to advise you on your current fund if it is not on their approved product list.

Are you a member of a professional association?

Check the adviser is a member of an industry organisation such as FAAA, the Association of Financial Advisers (AFA), CPA Australia, Chartered Accountants Australia and New Zealand (CA), the Financial Services Institute of Australasia (FINSIA) or the Stockbrokers and Investment Advisers Association (SIAA).

What are your fees?

Financial advisers set their own fees and may be able to charge a commission on the products they sell, or they may charge by the hour for their time. Some advisers may also charge an ongoing fee. The FSG should also explain these fees.

How long have you been a financial adviser?

The more experienced, the better. If they have less than two years' experience, ask if anyone else in the business will be assisting in preparing your advice.

Who are your typical clients?

If your adviser helps clients who are similar to you, then they will have experience in the type of advice you are looking for. You may even want to ask for a reference from an existing client.

What products do you advise on?

You are looking for a wide range of products from numerous providers, so that the advice you get is not limited to a narrow product range from only a few providers.

What information will you need to provide me with financial advice?

The adviser should ask you about your personal circumstances and what you are looking to achieve.

You will need to provide information on income and expenses, what you own (individually or jointly), what you owe, your family situation including dependants, as well as both your short and long-term financial goals.

Super questions to ask your adviser

What are the benefits of investing in super?

Super is a tax-effective way to save for your future. With ongoing contributions from your employer, and the ability to make extra contributions and choose your investment option, it makes sense to get the most from your super.

Should I consolidate my super into one account?

Your adviser should explain the benefits of consolidating your super – but this depends on the features of the super accounts you have. You can't consolidate (or roll in) money from other funds to your Gold State Super account, but you can roll in to a West State Super or GESB Super account.

To do this, download and complete a *Super consolidation form* available at gesb.wa.gov.au/forms.

Your adviser can assist you in filling out the form.

If you are considering rolling out of a GESB scheme, your adviser should be able to explain the implications of this to you. This is especially important if you have a West State Super or Gold State Super account, as these schemes have some unique features that are not available in most other Australian super funds. They are also both closed to new members, so if you change your mind you cannot re-join.

When you transfer your super, your entitlements under that fund may end. This may include any insurance you hold in the fund, such as death, disability or salary continuance insurance. You should consider all relevant information before you make a decision to transfer your super. If you ask for information, your super provider must give it to you.

What fees will be charged in my super account?

Your adviser should explain your super account's management costs – this includes the administration and investment costs to run your account. They should also inform you of the cost of any activity or transaction fees.

Is insurance included, or do I have the option of insurance with my super account?

You may want to check the insurance options for your super account such as the premiums, the level of cover, and the type of cover such as death, disability, and salary continuance.

Find out if you have the option to receive cover and if any medical examinations are required. Make sure you check restrictions for age, the type of work you do, whether it's part-time or casual employment and maternity leave.

Check that your adviser is aware of the special insurance arrangements that apply to Gold State Super members.

How has my fund been performing?

Gold State Super is a defined benefit scheme, which means it isn't linked to investment markets.

If you have a West State Super or GESB Super account, it's important you understand how investment performance may impact the money you have. Make sure your adviser can demonstrate how your fund has been performing over the last one, three and five years, while keeping in mind that past performance is not a reliable indicator of future performance.

For more information about defined benefit schemes, read the *Gold State Super essentials brochure*, available at gesb.wa.gov.au/brochures.

What are contribution caps and are there any caps on my super contributions?

Concessional (before tax) contributions

Concessional contributions are generally taxed at the concessional rate of 15%.¹ A general concessional contributions cap applies each financial year. This is the limit on the amount of concessional contributions you can make to your super each year, before you have to pay extra tax.

Carry-forward rules allow you to make extra concessional contributions above the general concessional contributions cap without having to pay extra tax. For more information, read the *Contributing to your super brochure* at gesb.wa.gov.au/brochures.

¹ If you are a high-income earner, then you may be liable for Division 293 tax. For more information, see the *Tax and super brochure* available at gesb.wa.gov.au/brochures.

Concessional contributions made to untaxed schemes such as West State Super or Gold State Super count towards your concessional contributions cap, but are not capped within those schemes. However, any concessional contributions you make to West State Super and Gold State Super will count towards the cap, for the purposes of making concessional contributions to a taxed scheme (such as GESB Super).

However, there is an untaxed plan cap (indexed annually) that applies to the total untaxed benefit. You can accumulate up to this amount and still be taxed at the concessional rate, when you withdraw the benefit or roll over to a taxed fund or retirement income stream.

There may be tax implications if you exceed your concessional contributions cap.

For more information, read the *Tax and super brochure*, available at gesb.wa.gov.au/brochures.

Non-concessional (after tax) contributions

Non-concessional contributions are contributions that are not included in the assessable income of the fund. They are often referred to as after tax contributions.

All non-concessional contributions to all of your super funds in a financial year are counted towards your non-concessional contributions cap.

The amount available under the bring-forward rule depends on your total super balance as at 30 June in the previous financial year. This is tested each 30 June, including during the bring-forward period.

There may be tax implications if you exceed your non-concessional contributions cap.

For more information, read the *Tax and super brochure*, available at gesb.wa.gov.au/brochures.

How can I contribute to my super account?

Salary sacrifice

These contributions are made from your before-tax salary. The money you 'sacrifice' gets paid directly from your salary into your super account before you pay income tax. This is generally one of the most tax-effective ways to make additional contributions to your super. You can make salary sacrifice contributions through an agreement with your employer.

Tax-deductible personal contributions

These are personal contributions which you can claim as an income tax deduction in your tax return if they are made to a taxed scheme and if you meet the eligibility criteria.

Co-contributions

This is an Australian Government initiative designed to increase the retirement savings of Australians who meet certain eligibility criteria. The government matches up to 50 cents for each dollar of your personal after-tax contributions, up to a maximum payment of \$500. You must provide your fund with your tax file number (TFN) to be able to receive a co-contribution.

Spouse contributions

Spouse contributions allow you to contribute money to your spouse or partner's super account. These contributions assist in growing your joint retirement savings. You may also be eligible for a tax offset if certain eligibility criteria are met.

Gold State Super questions to ask when choosing an adviser

Below are some important questions you should ask your adviser and consider before making any decisions.

- What are the unique benefits of my Gold State Super scheme?
- How is my Gold State Super benefit determined?
- What are the implications on my Gold State Super account if I choose to work part-time?
- What is the benefit of salary maintenance with Gold State Super?
- What are the different levels of insurance cover available in Gold State Super?
- What are the implications of withdrawing from Gold State Super?
- What happens if I have a service period that commenced before 1 July 1983?
- How much can I contribute to my Gold State Super scheme?
- What are the special arrangements for police officers, stipendiary magistrates and industrial commissioners?
- Am I eligible for an Australian Government Super Co-contribution?
- What are the contribution caps for my Gold State Super scheme?
- I have both a Gold State Super and West State Super account, is there anything I should be aware of?

Access the *Gold State Super essentials brochure* at gesb.wa.gov.au/brochures to find out important information relating to the above questions, as well as other unique features of your Gold State Super scheme.

Disclaimer: the information contained in this document is of a general nature, and does not constitute legal, taxation or personal financial advice. In providing this information, we have not considered your personal circumstances including your investment objectives, financial situation or needs. We are not licensed to provide financial product advice. Before acting or relying on any of the information in this document you should review your personal circumstances, and assess whether the information is appropriate for you. You should read this document in conjunction with the relevant product information booklet and disclosure documents at gesb.wa.gov.au/brochures. You should seek advice specific to your personal circumstances from a suitably qualified adviser.

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