

**TASMANIAN ASSOCIATION OF STATE
SUPERANNUANTS
SUPER-NEWS**

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The Newsletter for and by TASS members

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**HOBART GENERAL MEETING
ROYAL BOTANICAL GARDENS
MEETING ROOM
TUESDAY 21st AUG
STARTING AT 1.30PM**

Further details are given on page 2

EDITORIAL

This Super-News is being put together while my wife and I are house sitting at The Bay of Islands in New Zealand. By the marvel of the Internet contributions have arrived here as if by magic. And with a bit of luck I will be home two days before I need to complete this edition before it goes to the printer. TASS now has its own Web site. Details are on page 3 but the address is immediately to the left. This is a big leap 'forward' made possible by the son of one of our members.

By now those over 60 should have received a letter from RBF reminding members of the change in tax that will result in less tax for those who are over 60 years of age, also advising that due to the large amount of work involved each member's personal information may not be available by the end of the financial year. There are still some anomalies that TASS is taking up with the Federal Government relating to this change.

Later in this issue there are a number of items prepared by members of the executive each of which will be of interest to all our members. Please read and digest as they will give you useful topics to raise with politicians when they come knocking on your door in the hope of securing your vote at the Federal Election. Ed.

FUTURE MEETINGS



Hobart General Meeting
Aug 21st starting at 1.30pm
PLEASE NOTE A NEW VENUE
ROYAL TASMANIAN
BOTANICAL GARDENS

The committee has decided to upgrade the venue for our general meetings and we hope entice more members to attend. Our August meeting will therefore be held in the Training Room of the Royal Tasmanian Botanical Gardens, on Tuesday 21 August commencing at 1.30 pm. The Training Room is in the complex near the main entrance housing the restaurant and shop. We will provide a comfortable private room with panoramic views of the garden, a speaker who will talk about the Gardens, and will answer questions. Available will be a hot cup of tea or coffee. Oh, and we will bring you up to date with what is happening with your superannuation!

You can come earlier of course and take a stroll through the Gardens, maybe have something to eat in the restaurant/cafe next to our meeting room, or browse in the fascinating shop next door.

There is ample parking near the main entrance, and there is a Route 17 bus service leaving from stop F right outside the main Post Office in Hobart at the following times: 9.45am, 11.25am, 1.05pm. This is a direct service and only takes a short time.

Look forward to seeing you there!

Executive meetings

18th September

16th October

Forestry Tasmania both Starting at 1.30pm

Christmas Functions

Southern Luncheon

Drysdale House

Thursday 15th Nov

Northern Luncheon

Country Club Casino

Tuesday 20th Nov

AAAAAAAAAA

More on the Christmas Luncheons

As mentioned above our Northern Christmas Luncheon will this year take place at The Country Club Casino. June Hazzlewood has managed to arrange for a buffet lunch at only \$20 a head. The date to put on your calendar is Tuesday 20th November.

Frank Perry has also booked the very popular Drysdale House Hobart, for the Southern luncheon and the date to put on your southern Calendar is Thursday 15th November.

The November Newsletter will have further details of both functions, including who to advise that you will be attending.

As usual the business will be kept to a minimum and the main aim of enjoying a tasty meal in pleasant surroundings with delightful company should predominate at both functions.

TASS is now on the Web

You may have noticed on page 1 that TASS now has a Web site. The Web address is www.tass.org.au On the site you can get all the contact details as listed on the front of each copy of Super-News. If you have your own computer and are connected to the net, give it a go. A word of warning. When you do log on to the site, at the heading are four smiling oldies. They are Rob. and Noelene van Schie and Lorraine and Tony Haig. It is fair to say none of us wished to be displayed but we did need pictures of smiling 'seniors' and we had no other offers. Having recovered from this shock, click on either 'About Us', 'News', 'Contact Us', 'Apply' or even 'Quick News' to go to other pages. You will notice that our recently modified constitution is there, also the previous copy of Super-News and as we become more skilled there will also be listed 'breaking news'. Now I feel that most of you are thinking that either someone on the executive is very clever or that we have paid a lot of money to get this site set up. Neither is the case. Some months ago one of our members Graham Wells phoned to ask if we had received any offers to set up the Web site. He then advised that his son, Lindsay would do this task if required. Now over a number of months Lindsay has demonstrated great patience and skill as we were dragged into the 20th century.(yes I did mean 20th) To Lindsay, "TASS is deeply indebted to all the work that you have done so very well on our behalf. Thank-you." Now in addition to the website Lindsay has also set up a TASS Forum. If you would like to make some comment on TASS or Superannuation or even just see what others are saying log on to <http://z6.invisionfree.com/TASS/> As with all web sites make sure that every letter or punctuation is exactly as shown. Lindsay has also indicated how we can update or modify the site. If you do find problems in the future please understand and let Malcolm Jones know. His email is malgjones@bigpond.com Malcolm has kindly agreed to look after and update our Web site. It really does now give us the mechanism to advise those members who have internet access of news as it happens. Now for those of you who have not yet tried using the internet, I would strongly recommend that you do at least dip your toe in the water. When I retired over 15 years ago computers were used at my workplace but like many others I could see little value in this new and unfamiliar technology. It was only after retirement that I dipped my toe in and am now convinced that it is the most enabling technology that I have ever used. So many tasks can be undertaken with computers that a person not using one is at a significant disadvantage. Keep in mind most municipalities have 'On Line Centres' which will give you tuition on their computers for free. These were set up by the Federal Government some years ago and are staffed by volunteers. Learning something new also helps stop the grey matter from 'rusting'.



Sharing in the rising living standards of the Australian community

So far this year RBF superannuation pensions have not been adjusted because the Consumer Price Index (CPI) did not increase. And through no fault of contributors our pensions are not tax free. We do acknowledge the taxation concessions which have been introduced from 1 July this year, but are still entitled to expect, as a matter of equity, that RBF pensions should keep pace with increases in the cost of living.

The difficulty we face is that federal parliamentarians, who incidentally received a 6.7% wage increase recently, have continually refused to accept that CPI indexed superannuation pensions do not keep up with the cost of living. This is hypocritical because their own superannuation is linked to salary increases. And the view adopted flies in the face of irrefutable evidence to the contrary.

In the Jess report in 1972, the select committee on defence forces retirement benefits legislation rejected the use of the CPI as an indexation method, as it judged that the CPI did not fairly represent "changes in general community standards". This view was arrived at by noting the disparity between average weekly earnings (AWE) and the CPI. The Jess Committee also pointed to the need to maintain the relativity of benefits to the current pay for the rank held on retirement.

More recently the Senate Select Committee on Superannuation and Financial Services reported in April 2001 that the Australian Bureau of Statistics stated that the CPI is not a measure of the cost of living! It recommended that the Government examine the feasibility of adopting an indexation method other than the CPI to more adequately reflect the actual increases in the cost of living.

Governments, State and Federal, have double standards because, apart from ignoring the evidence, they allege that increased pension payments for retired public servants would significantly increase the Governments unfunded superannuation liability. We may well ask since when has funding for other pensioners such as aged, veterans or even retired politicians been funded other than on an emerging basis?

TASS conducted a major indexation campaign in 2006, in the lead-up to the State elections that year.

This year TASS will be lobbying all Tasmanian federal parliamentary candidates standing for election in late 2007. We will be asking them to tell us if they will or will not support State and Commonwealth superannuation pensions in Tasmania being directly linked to increases in male total average weekly earnings (MTAWE) or the CPI whichever is the greater. This will be done in conjunction with newspaper advertisements and postings on our website **www.tass.org.au**. The results will be published so that constituent voters may exercise an informed decision at the ballot box.

Tony Robinson

*This item was researched and written by Tony who has recently re joined the executive and summarises the Cost of living indexation argument very well. **Ed***

COULD YOU USE FREE PARKING?



When driving into Hobart would you benefit from free parking? Did you realise that the Hobart City Council will grant people who hold Centrelink Benefit or Pension Cards, 5 hours free parking once each week?

To avail yourself of this useful benefit take your Copy of your Car registration and your Centrelink card to The Hobart City Council Customer Service Centre at 16 Elizabeth St. and ask for a Pensioner Voucher Booklet. This could reduce the cost of weekly visits to town.
.....

The Six Mistakes of Man (Really Mankind)

- The delusion that personal gain is made by crushing others.
- The tendency to worry about things that cannot be changed or corrected.
- Insisting that a thing is impossible because we cannot accomplish it.
- Refusing to set aside trivial preferences.
- Neglecting development and refinement of the mind, and not acquiring the habit of reading and studying.
- Attempting to compel others to believe and live as we do.

The previous sentiments do say a great deal about some of the failings of human nature.

No they are not gems of wisdom from your editor, they were written by the Roman statesman Cicero, over 2,000 years ago!

AAAAAAAAAAAA

When we lose our Partner

Each of us hopes that the day will never come when our loved one dies. Now for some comments that may help when that day occurs.

Did you realise that even if you have been married for a large number of years, RBF will require formal evidence that you were in fact living together as an economic unit when your partner died. This is necessary as unfortunately marriages do fail and RBF must be certain that the correct person will receive the reduced pension. This can take time.

I also understand that RBF at present does have a backlog of cases with the result that the widow/widower's pension could take up to three months to begin flowing. Would you have sufficient funds to carry you through this difficult period? Please check with your own Bank but I believe that after a person dies, that person's account will be frozen until probate. This may even occur if the surviving spouse has signing rights to that account. RBF super will go to the superannuant's account, a joint account in both names may overcome this significant problem. Would you please check with your Bank or legal advisor before the crisis occurs.

Ed.

(A COLUMN OF GRIZZLES)

PHISHING

There are often warnings given to those who use computers connected to the internet which warn of fraudulent E-mails. I have seen many, however even someone as naïve as me begins to wonder about a request for bank details from a bank that I do not have an account with! They had the gall to start the note by saying that they were concerned that someone seemed to have been using my account, and they wanted my details to check them.

I have recently won two major raffles held in "U K", this was also a surprise as I did not buy any tickets, it's hard enough to win after taking a raffle ticket!

There are some programs that reduce these pests but none are 100%, only the recipient can stop them. But every one who uses a computer that has outside access should have some current program that will help. Please remember that these people exist and that they are constantly thinking up new ways to fool the gullible.

I suppose that periodically we should look at how trusting we are with many day to day activities; it is easy to be caught. The message is to take advice from experts who have literature available or ask a friend or relative to check some of your habits and advise you of improvements you could make. The Police, Neighbourhood Watch and many others are able and willing to assist. The days of unlocked locks are long gone.

TELEPHONE CALLS

The Federal Government has done half the job by introducing a bar for some telemarketers (Pestis Fonis). Although this is a start do you really want someone soliciting over the phone? Even for the charitable causes? I find it hard not to be rude to many of these. If we want to sell our house then surely we would contact an agent rather than the other way round. We usually have a down side together with the upside.

RETURNED MAIL

Each time we send out an issue of SuperNews there is always a few returned. It is awkward to contact the addressee; as if he or she has died then the memories come back again to the one that answers. On the other hand when a member is interested enough to pay a sub for the year we should send the newsletter.

All I can suggest is that TASS be on the list of organisations that would like your address if you move, or some notification of the situation when something worse happens. Usually the Trustees will notify us of the death of a member, but not everyone uses a professional Trustee.



IT IS NOT ALL GLOOM

Father Murphy walks into a pub in Donegal, and says to the first man he meets, "Do you want to go to heaven?" The man said, "I do, Father." The priest said, "Then stand over there against the wall." Then the priest asked the second man, "Do you want to go to heaven?" "Certainly, Father," was the man's reply. "Then stand over there against the wall," he said. Then Father Murphy walked up to O'Toole and said, "Do you want to go to heaven?" O'Toole said, "No, I don't Father." The priest said, "I don't believe this. You mean to tell me that when you die you don't want to go to heaven?" O'Toole said, "Oh, when I die, yes. I thought you were getting a group together to go right now."



After walking into the bar, Mike said to Charles the bartender, "Pour me a stiff one - just had another fight with the little woman."

"Oh yeah?" said Charles, "And how did this one end?"

"When it was over," Mike replied, "She came to me on her hands and knees.

"Really," said Charles, "Now that's a switch! What did she say?"

She said, "Come out from under the bed, you little chicken."

The Westpac / ASFA Retirement Standard

Have you ever wondered how much money retirees need to spend annually to fund a comfortable lifestyle?

Some years ago the Westpac Banking Corporation asked the Association of Superannuation Funds of Australia Ltd to research this question. ASFA is the peak body for superannuation funds in this country.

ASFA produced budgets for two scenarios, a Modest lifestyle and a Comfortable lifestyle. Estimates were prepared for both single retirees and couples in each case.

The results were first released in February 2004, and have been revised periodically since that time.

The Westpac/ASFA figures for the March quarter 2007 are shown below.

Modest Lifestyle

This is a lifestyle better than that provided by the Age Pension alone, but still limited to fairly basic activities. It assumes that retirees own their homes.

Modest lifestyle: single \$18,375 per annum

Modest lifestyle: couple \$25,780 per annum

Comfortable Lifestyle

This lifestyle allows retirees to be involved in a broad range of leisure activities, with domestic and occasional international holiday travel.

It provides for private health insurance, a good car, good clothes, and a range of household goods and electronic equipment. It again assumes that retirees own their homes.

Comfortable lifestyle: single \$35,668 per annum

Comfortable lifestyle: couple \$47,766 per annum

At least 95% of Tasmanian State superannuants fall in the range between these two scenarios. For most of our members, the Comfortable lifestyle would require a top-up from savings

Australian Retirement Incomes

Have you ever wondered how your retirement income compares with those of other retirees?

In the following notes, we compare three groups. They are the Full Age Pensioners, Government Superannuants, and Self Funded Retirees excluding Government Superannuants. Figures quoted are for couples.

Most Government Superannuants are also part age pensioners. A small proportion have superannuation pensions low enough for them to gain a full age pension. An even smaller group have pensions which, with other income, place them above the cut-off level for a part age pension, and are thus fully self funded.

Full Age Pensioners

The Full Age Pension for a couple is \$22,953 per annum, but they can earn other income to lift the total to \$28,881 before the pension starts to reduce. A simple average of these limits is almost \$26,000.

Government Superannuants

The average annual RBF pension is estimated to be about \$18,000, while Commonwealth pensions are a little higher at about \$20,000. Using the higher figure as more representative nationally, with a small allowance for other income and with part age pensions added, the average annual income for government superannuants is about \$38,000.

Self Funded Retirees excluding Government Superannuants

This grouping is divided fairly equally between part age pensioners and fully self funded retirees. The two sub-groups are separated by the part age pension income limit of \$63,310.

One might expect the average annual income for couples in this group to be somewhere near this central figure.

Some supporting information is provided by results from an Association of Independent Retirees survey of members carried out in 2006. The survey found that the average income for a member couple was \$53,000 per annum. Indirect information from that survey suggests that 30% of AIR members may be government superannuants.

If we exclude government superannuants, the average income for the remaining 70% of AIR members becomes almost \$60,000 for a couple.

So, what do we make of all this? In summary:

Full age pensioners, who make up about 60% of retirees, have an average income of \$26,000 per annum and enjoy the Westpac/ASFA Modest retirement standard.

Government superannuants, who may number about 15% of retirees, have an average income of \$38,000 per annum and enjoy on average 80% of the Westpac/ASFA Comfortable retirement standard.

Self funded retirees, excluding government superannuants, comprise the balance of retirees, have an average income of \$60,000 per annum and enjoy a margin of 25% over the Westpac/ASFA Comfortable retirement standard.

TASS and its allied State and Commonwealth organisations provide primary representation for government superannuants, and are tightly focussed on superannuation benefits, although not to the exclusion of other matters.

By comparison, AIR has a predominately non- superannuant membership, with higher average incomes, and a broader range of concerns. There is much of common interest between the two associations.

Tom Ellison researched and produced this interesting item which summarises income groupings and indicates that TASS is indeed catering for the salary group generally represented by RBF superannuants .Ed

TASMANIAN ASSOCIATION OF STATE SUPERANNUANTS

Discriminatory taxation of the income of State superannuants.

Pensions paid from taxed superannuation funds to people aged 60 or more are now tax-free and the recipients of these pensions will not be required to include their superannuation income on their annual tax return. This means that additional, non-super income such as age pension, bank interest, employment income and capital gains will be assessed from a zero base.

However retired State employees and others who receive pensions paid from an untaxed source, ie on an emerging basis, who can now claim a 10% tax offset on the taxable amount of the pension, will continue to include their full superannuation income on their annual tax return. Additional, non super income will therefore be taxed at the marginal tax rate applying when the other income is added to superannuation income. This means that, in most cases, members of untaxed pension funds will have their other income taxed at 31.5% (inc. medicare levy). The table below shows the difference between the tax payable on other income for members of untaxed pension funds versus taxed pension funds for a range of other income values.

Table: Tax, medicare Levy payable (\$p.a) on other (non superannuation) income

Other Income	Taxed Source Pension			Untaxed Source Pension			Penalty for Untaxed Source Pension
	Tax	M/Care	Total	Tax	M/Care	Total	
5000	0	0	0	1500	75	1575	1575
10000	0	0	0	3000	150	3150	3150
20000	1350	300	1650	6000	300	6300	4650

The different taxation treatment of other income that would apply after 1 July 2007 was judged as something that needed correcting by the Senate Standing Committee on Economics. This committee in its February 2007 report entitled Tax laws Amendment (Simplified Superannuation) Bill 2006 (Provisions) and related bills (Provisions) made a recommendation 4 as follows.

"The Government should consider separately assessing for taxation purposes superannuation income and additional assessable income"

On 2 April, in an address to the National Press Club, the Treasurer said that Simpler Super had been designed to encourage people over 60 to continue to participate in the workforce after retirement, quoting that only non super income would be taxed and therefore at a lower marginal tax rate.

The Association would be very interested to know your personal position on this matter and of any representations you are, or will be taking on behalf of the members of Tasmania's untaxed pension funds to have their non-superannuation incomes taxed on the same basis as the same category of income being received by most other Australian retirees. Members will be kept informed through our newsletter and website in what is being done by Tasmania's representatives in the Federal Parliament to support the recommendation of the Senate Standing Committee on Economics Rob. vanSchie

Another example of the discrimination created in the treatment of income streams sourced from taxed and untaxed schemes.

Income from a taxed source is tax free for those over 60 years old, and this income does not have to be declared as assessable or taxable. However income from an untaxed source, such as that received by Tasmanian Public Service superannuants, must continue to be declared as taxable. Consider what implications this has on eligibility for the Commonwealth Seniors Health Card. A person receiving a large superannuation income from a taxed source may still be eligible for the CSHC even if that income is larger than the threshold for receiving the card, whereas a Tasmanian Public Service Superannuant receiving a superannuation income from the contributory, defined benefit scheme which is unfunded and untaxed, can only be eligible for the CSHC if that income is less than the threshold. How is that for discrimination!

Rob van Schie

SU DO KU

From the feedback I receive the two most popular items in Super-News are those of a humorous nature and puzzles.

While in New Zealand we have discovered SU DO KU a number puzzle. Super-News readers may have tried these simple but exasperating puzzles but for those who have not, one has been included to stir up the grey matter.

The rules are simple but frustrating. To complete each puzzle you must fill in all the squares in the grid so that each row, each column, and each 3x3 box must contain all the numbers 1 to 9 inclusive. Try it but don't give up too easily.

7	*	3	8				4	1
2				7	3	8	9	
9			1			2		7
8				1		6		5
			5	4	6			
6		7		8				9
4		2			1			3
	7	1	2	3				4
3	9				4	1		2

Some people are capable of looking at the grid and by trial and error completing the puzzle. If you, like me are not so gifted, try this method.

In each free square write in small print the possible options by casting your eye horizontally, then vertically and finally in the local 3X3 square. E.g. The first square to the right of number 7 can only be a 5 or a 6. Now continue for all the free squares and one or two may give only one number as a possibility while others will require

further work. It will take time but it does give you a sense of achievement when and if you finally succeed.

HOW GOOD IS YOUR MEMORY?

As each of us matures it is not uncommon for us to find that our memory is not quite as sharp as it once was. I find it comforting that others of similar age to me do tend to occasionally have 'a senior moment'. Now for those of us in Hobart who would like to do something about it in a painless way, help is at hand.

Last year my wife and I made a trip to Europe and spent one week in Prague, capital of the Czech Republic. Through U3A Hobart we met with a very dynamic U3A Prague member, Dana Steinova. Although we had not previously met Dana she and others from Prague did a great deal to ensure that our stay was most enjoyable. Now in September Dana is leading a group from the Czech Republic to visit Tasmania. When not involved with U3A Dana gives courses in Memory Training for Seniors. Most of the courses are based in Prague, and draw participation largely from U.K but also other European countries. Her activities have now widened and she has been invited and delivered her courses in Singapore, Canada and more recently South Africa. These courses take about 3 days and involve a charge to participants.

While in Hobart she has offered to give a free introductory session on Memory Training for Seniors, if I would make the arrangements. This I have done in conjunction with U3A Hobart and Clarence.

TASS members are also invited to attend.

**The Time and date 2.00pm to 4.30pm on Saturday 15th September
The Place The Philip Smith Hall at The Glebe. Entrance from Edward St.
There should be adequate close parking, either in Edward St. or
Aberdeen St. close to the pool.**

I asked Dana what participants should expect to gain from attending this free talk and she replied as follows; Tony Haig

MNEMONICS -THE PERFECT COMPENSATION FOR MEMORY IMPERFECTIONS

Mnemonics / memory aids are improving the working relationship between short-term and long-term memory in such a way that the information is stored in easily and reliably retrievable form. They are a very effective and instant tool. With the help of mnemonics we can easily convince a 90 year old that remembering long lines of digits or long shopping lists can be fun. And more, they can suddenly remember large amounts of information without apparent effort. In reality it means that within 20 minutes you can increase the self-esteem and self-confidence of the elderly. And once you manage to convince them that they can still remember a lot and that in reality, they have been only underestimating their own skills for a long time, they start to approach any new information with positive expectation that they will remember and it does naturally affect the result. Memory training classes have much broader impact. Once you increase the self-confidence of the participants they are able to deal with difficulties of daily life with higher efficiency. So in reality such classes have a direct impact on the quality of life.

Dana Steinova is ready to prove that you can still remember well if you learn the right tricks.

The Philip Smith Hall 2.00 pm Saturday 15th September

THE POST - JUNE 1994 INVALIDITY COMPONENT

Part of an Eligible Termination Payment (ETP) paid for the permanent disability of an employee is tax free. This tax-free part is called a post-June 1994 invalidity component. The post-June 1994 invalidity component is linked to an employee's future employment period lost through early retirement due to permanent disability. This tax-free amount is usually higher for payments to younger employees because of the greater period of future employment service lost.

The Retirement Benefits Board recently sent letters to all permanently disabled RBF superannuants, some of whom are members of the Association of State Superannuants, advising them that a miscalculation in their invalidity pension tax had occurred over a number of years. This meant that insufficient tax had been withheld from their pensions and that net income had been overstated, with the implication that the superannuant may owe money to at least the ATO and Centrelink. However the Board wrote that it is endeavouring to ensure that all pensioners are not prejudicially affected by the miscalculation.

It appears that the Board had included the post-June 1994 Invalidity Component in the calculation of the Undeducted Purchase Price (UPP) of these pensions whereas, according to the Australian Tax Office, the RBF should not have included this component. The board came to the inclusion that it had withheld too much tax, and that the pensioner had been overpaid.

The RBF Board argues that while the post-June component is tax free when the invalidity pension is taken as a lump sum ETP, any tax exemption disappears when the ETP is converted to a life pension.

The Association has taken this matter up with the Board.

Rob van Schie (3/08/07)

Super-News always welcomes the opportunity to bring to the attention of our readers the achievements of TASS members in retirement. Richard Klekociuk who will be known to many as an art teacher for a number of years in Tasmania, invites you to visit his website: www.artkleko.com and view his unique perspective on Tasmanian Landscape Art.

Richard is also having an exhibition in Launceston at the DAG (Digital Art Gallery) during October.

Do you end up being worse off because of the effect of RBF super-payment increases on your age-pension entitlement?

The answer to this question is most definitely NO!

All TASS members who receive an age-pension supplement on top of their superannuation payments will know that there is an immediate drop in their age-pension entitlement when (or if) their RBF payment increases after 1 January and 1 July each year. Because of this adjustment, some superannuants have mistakenly come to believe that they actually end up being worse off. They accordingly resent receiving RBF pay increases and argue against attempts to improve the indexation of their superannuation payments. The true situation is, however, very different from their perceptions.

There is actually a very simple rule that governs what happens to your age-pension entitlement when your RBF payment increases, and that rule is the same for the pensions of single retirees as it is for the combined pensions of couples.

The rule is this:

For every dollar your RBF payment increases, your age pension decreases by forty cents.

So, if you receive a fortnightly RBF payment increase of \$10, your age-pension entitlement will decrease by \$4, but you will still be \$6 a fortnight better off!

But wait, there's more!!

It is disappointing, of course, that the 1 January or 1 July increase (if any) in your RBF payment is partially offset by the resultant age pension decrease, but you make up most or all of that difference 11 weeks later when the age-pension adjustments of 20 March and 20 September come into effect. Not only is there an overall rise in the age pensions at that time, but all the income eligibility thresholds actually improve in your favour as well. This is because the age pension and its eligibility criteria are indexed in a much more generous manner than your RBF super payments are. Over recent years, the age pension increases have been around 4.5% annually, whereas those for RBF payments have only been around 2.5%. The effect of this is that your super payments look increasingly less-generous in relation to the age-pension eligibility criteria as the years go by, with the result being that you can claim a larger portion of the age pension. Given the current trends, a married person on an RBF pension of around \$20,800 a year would have recouped all but eight cents of their typical \$10/fortnight RBF rise when the age-pension changes came into effect 11 weeks later. People earning less than that amount would actually end up being in front of their RBF rise.

Here are some actual examples for the combined situations of married couples:

CAVEATS – Please note that these figures will only be very rough approximations to your individual situation, as it is impossible to allow for factors such as the undeducted purchase price (UPP) of your RBF pension. Someone on an annual RBF pension of around \$35,000, for example, might—because of their UPP—only be treated as earning \$33,000 by Centrelink. Every person will be different in this sense, but generally the following examples will understate what you will receive because of the UPP. On the other hand, no allowance can be made for any other income that you may have. Nor, incidentally, can the effect of high-value assets be taken into account in these examples.)

ASSUMPTIONS – (1) Typical RBF annual indexation rates of 2.5% (and hence 1.25% each six months); (2) that this 1.25% rise occurred on 1 July (we actually got nothing, but let's pretend!); (3) typical age-pension annual indexation rates of 4.5% (and hence 2.25% each six months); and (4) that this 2.25% rise applies to the age-pension and its relevant eligibility threshold on 20 September.

Example 1 - A superannuant receiving an annual RBF pension of \$15,000

Age-pension entitlement = \$19,214.80. Therefore total income = \$34,214.80.

After 1 July increase of 1.25%, RBF pension = \$15,187.50 (a gain of \$187.50) and age-pension supplement reduces to \$19,139.80 (a drop of \$75).

Result is: new total income = \$34,327.30 (an overall gain of \$112.50).

Eleven weeks later on 20 September (after 2.25% increase in pension & thresholds), new age-pension entitlement = \$19,241.71 and new total income = \$34,429.21.

The total gain since 30 June = \$214.41, and the pension entitlement has actually improved by \$26.91 from its initial level.

Example 2 - A superannuant receiving an annual RBF pension of \$25,000

Age-pension entitlement = \$15,214.80. Therefore total income = \$40,214.80.

After 1 July increase of 1.25%, RBF pension = \$25,312.50 (a gain of \$312.50) and age-pension supplement reduces to \$15,089.80 (a drop of \$125).

Result is: new total income = \$40,402.30 (an overall gain of \$187.50).

Eleven weeks later on 20 September (after 2.25% increase in pension & thresholds), new age-pension entitlement = \$15,191.71 and new total income = \$40,504.21.

The total gain since 30 June = \$289.41, and the drop in the pension entitlement from its initial level is now just \$23.09.

Example 3 - A superannuant receiving an annual RBF pension of \$35,000

Age-pension entitlement = \$11,214.80. Therefore total income = \$46,214.80.

After 1 July increase of 1.25%, RBF pension = \$35,437.50 (a gain of \$437.50) and age-pension supplement reduces to \$11,039.80 (a drop of \$175).

Result is: new total income = \$46,477.30 (an overall gain of \$262.50).

Eleven weeks later on 20 September (after 2.25% increase in pension & thresholds), new age-pension entitlement = \$11,141.71 and new total income = \$46,579.21.

The total gain since 30 June = \$364.41, and the drop in the pension entitlement from its initial level is now just \$73.09.

Example 4 - A superannuant receiving an annual RBF pension of \$45,000

Age-pension entitlement = \$7,214.80. Therefore total income = \$52,214.80.

After 1 July increase of 1.25%, RBF pension = \$45,562.50 (a gain of \$562.50) and age-pension supplement reduces to \$6,989.80 (a drop of \$225).

Result is: new total income = \$52,552.30 (an overall gain of \$337.50).

Eleven weeks later on 20 September (after 2.25% increase in pension & thresholds), new age-pension entitlement = \$7,091.71 and new total income = \$52,654.21.

The total gain since 30 June = \$439.41, and the drop in the pension entitlement from its initial level is now just \$123.09.

Malcolm Kays

USEFUL CONTACTS FOR MEMBERS

As a service to members TASS will include a regular section giving useful contact points (usually telephone numbers) which may be of value to members. If you are aware of a contact that could be of interest to other members which we have not included please advise the editor on 62601026.

RBF Pension queries or death of the superannuant	1800 622 631
Australian Tax Office	
Income Tax inquiries.....	132861
Superannuation help.....	131020
Tax Refund.....	132863
R.B.L. Help.....	132864
CENTRELINK	
To book an appointment at a regional office.....	131021
Pension enquiries.....	132300
Overseas Pensions.....	131673
Family enquiries.....	131305
Disability, sickness and carer.....	132717
Hearing or speech impairment.....	1800 000 587
Financial Services	
Burnie.....	6434 1535
Devonport.....	6424 0665
Launceston.....	6332 8298
Hobart.....	6232 1555
Bellerive.....	6244 0566
Better Hearing Australia (Hobart) Voluntary group.....	6228 0011

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PENSION LIMITS AS FROM MARCH 2007

INCOME TESTS

Part pension is possible for a couple receiving less than \$2,435 per fortnight
 Single receiving less than \$1,455 per fortnight
 For a Pensioner couple separated by ill health, less than \$2,882 per fortnight

Commonwealth Seniors Health Card for a couple on less than \$80,000 per year
 for single on less than \$50,000 per year

ASSETS TESTS (not including your home)

	For Full Pension	For Part Pension
a) For Home Owners		
Single Pensioners	Up to \$161,500	Less than \$338,500
Couples (Combined)	Up to \$229,000	Less than \$523,500
Couples Sep. due to ill health	Up to \$229,000	Less than \$583,000
b) For non-home owners		
Single Pensioners	Up to \$278,500	Less than \$455,500
Couples (Combined)	Up to \$346,000	Less than \$640,500
Couples Sep. due to ill health	Up to \$346,000	Less than \$700,000

Should you change your address would you please advise us of your new address. Some members believed that advising RBF of a change will also involve that information also coming to us. This is not so. RBF quite correctly keep their address data confidential and will not pass this information on to us. If we do not have your address we cannot send you Super-News.