



Tasmanian
Association of
State
Superannuants Inc.

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SUPER-NEWS

No: 4/19

Summer Edition

November 2019

MERRY CHRISTMAS Christmas Lunches

North & North West

Date: Tuesday 3 December 2019

Time: 12:00noon for 12:30pm

Where: Links Buffet
Country Club Casino
Buffet style lunch \$26.50 per person



N.B. The venue can accommodate a maximum number of 40 people. Make sure you RSVP as soon as possible or by 26 November at the latest.

South

Date: Tuesday 10 December 2019

Time: 12noon for 12:30pm

Where: Tasmanian Hockey Centre
19 Bell Street, New Town
Two course meal \$42 per person



N.B. The venue can accommodate a maximum number of 50 people. Make sure you RSVP as soon as possible of by 3 December at the latest.

TASS will contribute \$10.00 per person to the cost of members' Christmas lunches.

RSVP to info@tass.org.au, or Charles Thomas 0422 414 861 by:
Northern function Tuesday 26 November
Southern function Tuesday 3 December

**** Membership Renewal Form is enclosed – please complete this if your membership expires on 31 December 2019.**

***** This year we have introduced "Membership for Life" and the form for that is also enclosed.**

FROM THE PRESIDENT

As I mentioned last Super news the Executive has met with several Federal Politicians on the 10% Cap Legislation.

It is fair to say that there is an understanding of our concerns but either no willingness to try and make a stand or simply there appears to be a loss of interest in the issue.

On the other hand Senator Lambie has indicated a preparedness to go back to basics and review what happened, its implementation, what were the Government's objectives, has there been unintended consequences and what can be done going forward.

TASS will forward to the Senator as much information as we can to assist in the research that will need to be carried out.



It is fair to say that it has been difficult to motivate the Greens to honour their recorded view of the 10% issue leading up to its implementation. The Executive will continue to talk to the Tasmanian Greens Senator Peter Whish-Wilson and will arrange a meeting before the end of the year.

As you may be aware the Government has initiated a "sweeping review" of superannuation. The Executive will monitor the progress of the review and if submissions are allowed TASS will certainly make sure our position is known. The two issues identified by the Executive are the 10% Cap Legislation and Consumer Price Index (CPI) its effective and relevance today.

After the success of the Southern Forum the Chair of the Superannuation Commission and the Director of the Office of the Superannuation Commission have offered to travel to Launceston if the members are prepared to attend. Further information will follow late this year or early in 2020. The Executive had to cancel the recent Northern Forum due to insufficient numbers of RSVPs. A forum that covers the Review of the Guardianship and Administration Act to be run by Ms Kimberley Martin BA LL.B. (Hons) Director, Worrall Moss Martin Lawyers and the Chair and Director on Superannuation and related matters is planned for early next year.

The end of another year is close, so I'll take this opportunity to thank the Executive for the efforts over the year and at the same time ask members to consider taking up a position with the Executive. The same members are willing to put their hands up, but we need others to take on key roles, in particular at the March AGM we need a Secretary.

Your Executive wishes you all a Merry Christmas and safe and Happy New Year.

Christopher Bevan
President

TASS HAS VACANCIES ON ITS EXECUTIVE

In the lead up to the next Annual General Meeting, TASS is seeking volunteers from within its membership to nominate to join the Executive.

TASS only continues to operate as a viable organisation when it has two things –

- Financial Members who believe in the need for TASS to exist to represent their interests
- Members prepared to take on the various roles within the Executive that are necessary to work for and on behalf of members

Over the last few years our membership has declined steadily; a result of “natural attrition”, and at the same time we have struggled to attract younger recent retirees or people nearing retirement.

This has an effect on reducing the pool of people prepared to step forward to join the Executive.

In 2020, there will be some changes. My term as President will come to an end as our constitution limits the term to 4 years. Our Vice President (John Minchin) has indicated that he would be prepared to nominate for President, but only on condition that someone take on the Secretary role that he has occupied on an acting basis for the past year. He will not continue as acting Secretary.

The Executive has the following roles –

- President - leadership of the Executive, chairs meetings, represents TASS externally
- Vice President – understudy, or additional support to President
- Secretary – manages meetings, correspondence, maintains files
- Treasurer – operates bank accounts, receives money and pays accounts, prepares reports and tax return
- Membership Officer – gathers member data and maintains membership database, prepares membership reports
- Newsletter Editor – plans and prepares newsletters with input from others, liaises with print/mail facility
- Executive members (4) – assist on sub-committees, act for other roles when required, act as representative to ACPSRO (Australian Council of Public Sector Retiree Organisations), liaison with RBF.

There are two non-executive voluntary roles to help the executive connect with members outside Hobart –

- Northern Representative
- North-Western Representative

In addition, the Executive has some subcommittees to help focus on specific areas and these consist of Executive members, and sometimes other members –

- Policy and Liaison Committee – government and political lobbying
- Membership – membership strategies and promotion
- Super-News Committee – to assist the editor in planning the newsletters

TASS has approximately 9 Executive meetings per year plus an AGM, 2 Forums and Christmas Luncheons for both North and South. These are normally scheduled for Tuesday afternoons.

TASS needs your skills and experience. Please consider offering your services to help our work.

We would very much like to talk to interested members so please get in touch with us soon:

President, at president@tass.org.au, or Ph 0449 084 116

Secretary, at secretary@tass.org.au, or Ph 0448 731 845.

PARTNER'S ENTITLEMENT ON DEATH OF THE SUPERANNUANT DEFINED BENEFITS CONTRIBUTORY SCHEME

Definition

1. Reversionary – means an entitlement to a payment exists for the surviving partner
2. Non Reversionary – means no entitlement to a payment exists for the surviving partner

Is the Superannuant's Pension Reversionary or Non Reversionary?

Members who started contributing to the Contributory Life Scheme – Pre 1/7/94

1. These pensions are all reversionary pensions.
2. Pensions cease on the death of the partner, no payment available to partner's estate.
3. Payment options available as shown in 1, 2 or 3 under the heading "Payment Options".

Members Started Contributing to the Contributory Life Scheme – 1/7/94 - 14/5/99

1. Can be a reversionary or non-reversionary pension, depending on the election made by the Superannuant at the time of their retirement.
2. Once the Superannuant has elected Reversionary or Non-Reversionary Pension it cannot be changed.
3. If Reversionary Pension– payments available as per 1, 2 or 3 under the heading "Payment Options".
4. If Non-Reversionary – the surviving partner has no entitlement to any payment.

Payment Options Available to the Surviving Partner

1. A fortnightly life pension of;
Two-thirds (2/3) of the Superannuant's pension paid to the partner upon the Superannuant's death; **OR**
2. A one-off lump sum payment

The surviving partner will receive a lump sum calculated using 2/3 of the pension that the Superannuant was receiving at the time of their death and that amount is multiplied by a number which corresponds to the age of the surviving partner.

The multiplication number for each age can change, listed below are three current examples"

If 2/3 of the Superannuant's pension equals \$p,

A partner aged between 64 and under 65 will receive a lump sum of \$p multiplied by 8.7

A partner aged between 70 and under 71 will receive a lump sum of \$p multiplied by 7.5

A partner aged between 85 and under 86 will receive a lump sum of \$p multiplied by 3.5

OR

3. Any percentage taken as a combination of a life fortnightly pension plus a one-off lump sum.

Example – 60% of the partner's pension paid fortnightly plus a 40% one off lump sum payment

What should the partner do after the death of the Superannuant?

1. Phone the RBF Helpline on 1800 622 631.
2. Provide information on the phone including member details and date of death.
3. Check if the Superannuant had a Reversionary or Non-Reversionary pension.
4. The surviving partner will be required to provide supporting documents requested by RBF.
5. If the RBF approves, an interim pension will be paid to the partner until the process is finalised.

For more information please visit the Retirement Benefits Fund Website on: www.rbf.com.au.

One publication on the website that is well worth reading can be found by typing into the search box,

Reversionary life pension surviving partner application checklist

Then scroll down slowly and click on the same heading that was entered into the search box and the publication should appear.

If you wish to see an RBF consultant, please phone the RBF Helpline on 1800 622 631 and make an appointment.

Please note that the RBF is also known as the Office of the Superannuation Commission.

DO YOU HAVE A SUPERANNUATION ACCOUNT WITH TASPLAN?

TASS Members who also hold superannuation accounts with TasPlan or other superannuation companies are advised to consider completing a Binding Nomination Form.

Moneysmart.gov.au says: When you die your superannuation fund trustee normally pays your death benefit to one or more of your dependants. If you do not nominate someone, the superannuation fund trustee will decide who your money goes to as it is not automatically considered as part of your estate. This can lead to delays and possible arguments in your family.

GUARANTEED RISKS FOR GUARANTORS

This article is a guide as to some risks associated with guaranteeing another person's loan and should not replace legal advice specifically tailored to your circumstances.

Whilst it might seem like an admirable gesture one should tread with caution if a child, grandchild, or other close relative asks you to go guarantor for them on a loan. There is limited if any financial or other benefit for a guarantor, but a large exposure to financial risk. I advise against being a guarantor.

Reason for Guarantees

A financial institution may decline to lend sufficient money to a borrower to complete a transaction for various reasons including a poor financial record, insufficient means to make repayments or inadequate assets to offer as security. Financial institutions can lend beyond these limits if they can obtain additional security, such as a guarantee from a third party.

Guarantor's Risks

As a guarantor you are personally legally responsible for paying all, or part (depending on the terms of the agreement) of the loan back to the lending institution if the borrower defaults on their repayments. The financial institution may also require you as guarantor to provide security, such as by way of a mortgage over your family home. If a mortgage is provided this will prevent you from dealing with the secured property (i.e. selling it or using it as security for your own loan) until the mortgage is discharged.

In addition, a guarantor's liability can extend beyond the initial amount borrowed to include interest, penalty interest, fees, charges and enforcement costs. A financial institution is not obligated to advise a guarantor if a borrower is in default. A guarantor may be unaware of a borrower's financial difficulty and the extent of the debt they are liable for until a financial institution makes demand on them for the entire amount owing.

Ordinarily if the borrower is in default (cannot repay the loan) the financial institution does not have to make demand on the borrower before seeking recovery of the entire amount owing from a guarantor. If the borrower defaults on their repayments and you cannot make the repayments yourself, the lending institution may have the power to sell your house to recoup the amount owing under the borrower's loan. Whilst a guarantor may recover money paid from the borrower, this is of little consolation if the borrower is already in financial difficulty.

Your exact obligations as a guarantor will be set out in the guarantee documentation. It is important to obtain legal advice about the guarantee documents so you are aware and informed of your obligations under the guarantee contract and the consequences for you if the borrower defaults on the loan.

The only beneficiaries of a guarantee are the borrower and to the financial institution. From a guarantor's perspective there is no financial advantage to guaranteeing a loan. While the guarantor may feel a sense of satisfaction in assisting the borrower to purchase a car, house or business, there are inherent financial risks associated with providing a guarantee. Even if certain of the borrower's financial position a guarantor remains vulnerable for the life of the loan.

Things to consider if you are providing a guarantee

If the loan is for the purchase of a business, what is the business? Have you seen financial statements about the profitability of the business? If that information is available to you, you should seek advice from your accountant or financial advisor about the viability of the business. If you do not have this information, then you should request it so you can obtain advice about the documents from financial professionals.

What is the value of the loan are you guaranteeing? Will you be liable for paying the whole, or only part of the loan if the borrower defaults on their repayments?

What are the consequences for you if the borrower defaults on the loan repayments? Obtaining legal advice about the specific guarantee documents will provide you with the answer to this question.

Alternatives to Guarantees

It is useful to consider if there are alternative ways you can assist the borrower *without* going guarantor. One alternative that ASIC provides on its Money Smart website is that you consider contributing money (either as a gift or a loan) towards a deposit for the borrower so a guarantee is not required. Providing a cash payment like this is beneficial from your perspective as it fixes the amount of money that you are paying, providing you with certainty as to how much it will cost you.

If you intend the money to be a loan, you can seek legal advice about ways of securing repayment of this money.

Going guarantor on a loan has inherent financial risks and from your perspective there is no financial advantage for you in doing so. If you do provide a guarantee for a borrower, ensure that you have all the information available to you and seek specific advice from a solicitor, accountant and/or a financial advisor before you sign any guarantee documents. Remember if you guarantee a loan your financial security is at risk for the life of the guarantee.

Useful resource

ASIC's Money Smart 'Love and loans' factsheet, available at:
<https://www.moneysmart.gov.au/media/283220/love-and-loans.pdf>

Most lending institutions have fact sheets on going guarantor online.

Nathan Munting

Alison van Dongen

Partner

Lawyer

TASS Legal Advisor

Wallace Wilkinson & Webster Lawyers

www.wallawallawyers.com.au

ACPSRO ANNUAL 2019 GENERAL MEETING

On behalf of TASS members I attended the ACPSRO (Australian Council of Public Sector Retiree Organisations) in Canberra on 30 October 2019. For me this was a very interesting meeting, and highlighted the importance of having organisations such as TASS and ACPSRO seeking to improve the position of those of us who have retired from public sector positions.

The AGM focused on a range of issues and I will outline each in turn below.

The Future of ACPSRO

In the last 12 months ACPSRO has lost two member organisations. Of particular concern has been the winding up of SCOA which has been the representative of Commonwealth public sector retirees. Despite this ACPSRO remained in a sound financial position and was in a good position to further issues affecting public sector retirees into the foreseeable future.

Purpose of Indexation

A key area for ACPSRO is the indexation of pensions for public sector retirees. Unlike the age pension which is indexed by the greater of the CPI or Average Weekly Earnings, defined benefit pensions are indexed only by the CPI. As a result the real value of pensions is declining. ASIC have identified this issue in their recent direction to financial advisors where they propose that indexation of pensions need to be at least the CPI plus a standard of living provision of 1.2%.

ACPSRO are also continuing their work on the adequacy of the CPI as a basis for indexation, given that it does not reflect the changes in costs faced by pensioners, further eroding the real purchasing power of the current system.

The 10% Cap Legislation

I was able to outline to ACPSRO the efforts we at TASS are making on seeking to have this issue addressed. Clearly under the RBF scheme member contributions were made on an after tax basis and as such should be allowable deductions. To adopt any other approach is to double tax our pensions. The effect of this legislation has been detrimental to many low income TASS members. This is an outcome quite contrary to that promoted at the time this legislation was being debated in the Commonwealth Parliament.

The Enquiry into Retirement Incomes

This topic was discussed at length. ACPSRO agreed we should make a submission to this enquiry raising issues that impact negatively on defined benefit pensioners. The perception is that we are all well off. The reality is quite different with many on quite low incomes that are poorly indexed and subject to significant effective tax rates upon death. No one else will adequately present our case and we need to be heard. This inquiry offers the opportunity.

Post SCOA Representation

The loss of SCOA has created an issue for many retired Commonwealth public servants. With its winding up ACPSRO will receive some funding which can support its research efforts. However, representing past SCOA members is a critical issue as none of the other members of ACPSRO had the knowledge of the Commonwealth defined benefits scheme which SCOA had, nor access to those managing the scheme.

TASS has advised ACPSRO that we would happily accept membership from those who had previously been SCOA members, but also advised, that due to our lack of knowledge of the Commonwealth scheme, we were not in a position to actively advocate on their behalf as we do for RBF members. However, beyond advocating, previous SCOA members were welcome to attend our functions.

WEB Resources

ACPSRO is in the process of updating its website given the demise of SCOA. In updating the website ACPSRO will be able to offer a better service to members and hopefully many of the important resources held by SCOA will continue to be available.

The Future Fund

As with the RBF defined benefit liability there is also a shortfall in the extent to which the Future Fund can fully meet the on-going requirements of the Commonwealth defined benefit scheme. This issue and particularly the discount rate being used to assess the ability to the Future Fund to meet emerging commitments was the subject of a paper presented to the AGM. The paper concluded that the adoption of a more representative discount rate for the Future Fund would provide improved flexibility for the Commonwealth to improve the indexation arrangements for Commonwealth defined benefit pensioners.

Member Reports

The meeting concluded with each member outlining recent activities and initiatives. As stated above TASS continues to seek fairness in the application of the 10% rule and that its impacts of RBF pensioners be removed.

Other issues raised by ACPSRO members included:

- Postal voting for over 70s;
- The treatment of lost or inactive bank accounts;
- Issues for those entering or leaving retirement villages;

- Access to the Commonwealth health care card;
- The situation in aged care facilities;
- The success of previous SCOA members joining up with their sister organization in SA;
- The long waiting time for home care packages; and
- The viability of the aged care sector where many homes are running at a loss.

All in all the day was packed to the brim with topics relevant to TASS members, highlighting the benefits of our membership of ACPSRO.

John Pauley
TASS Executive

WHAT IS THE AGED CARE NAVIGATORS TRIAL?

The Aged Care System Navigators Trial is a new initiative of the Australian Government. The trial is currently funded until 30 June 2020. The Council of the Ageing (COTA) Australia is the lead organisation in the trial.

The primary aim of the Aged Care Navigator is to test a broad range of services, activities and measures that support people to learn more about Government supported aged care programs and how to access them. People who use the services will be asked about their experience.

COTA Australia has partnered with 30 other organisations to pilot and evaluate 62 different Navigator activities across the country and will report back to the Department of Health on the most effective ways to share information with vulnerable older people.

COTA Tasmania has been engaged to provide:

- two Information Hubs (in Hobart and Launceston), providing tailored information and support about the aged care system
- specialised support and assistance to navigate the aged care system (statewide).

As part of the trial, group information sessions will also be delivered across Tasmania.

Call COTA Tasmania on 6231 3265 or email admin@cotatas.org.au for more information.

Information provided by COTA (Council on the Ageing) – more detail can be found here - <https://www.cota.org.au/information/aged-care-navigators/>

URGENT COMMUNICATION: Email address requested

You may receive a hard copy of SuperNews, but if you also have an email address it would be appreciated if you could provide it to us when completing the Membership Renewal form.

This will enable reminders of coming events to be forwarded to you by email.

You will continue to receive a hard copy of SuperNews unless you tell us otherwise.

MEET YOUR NEW NORTHERN REPRESENTATIVE – Peter Kearney

I was born in Bowral NSW, famous for being where Don Bradman grew up. I think I played with a friend whose house was next to the location of the famous corrugated iron tank. Google Don Bradman and corrugated iron tank.

I moved to Sydney and attended the University of New South Wales studying Engineering and Science. I was also in the Army Reserve and was a Sergeant, later qualifying as a Lieutenant.

In 1966 I moved to Tasmania and began teaching, while studying Theology and completing a Science degree. After qualifying I taught Science and Mathematics at a number of Hobart high schools. I was ordained as a priest in the Anglican Church and had responsibility for one small worship service at St. David's Cathedral, all while continuing to teach.

Savage River District High School saw me teaching as a Senior Master and then Assistant Principal before moving to the position of Principal at Zeehan Primary School. I later moved to Westminster Prep. School in Adelaide, then returned to Tasmania, finishing my career with 16 years as Principal of Hagley Farm School.

I am married to Diana who was also a teacher and is now a spinner and weaver. We have three grown up children who live in Singapore and other parts of Australia.

The Australian Education Union was always a major commitment for many years. Driving to State Council meetings from Savage River was always interesting (600Km round trip minimum). I served on the Executive including some time as Deputy President.

After settling at Lanena (near Exeter), I was elected as a Councillor to the West Tamar Council, a role I still hold. One of my local community roles has been in the management of the Exeter Child Care Centre, a commitment for over 20 years.

In the political space, my major involvement has been as Campaign Manager for Dick Adams, when he served as the Federal Member for Lyons. This covered seven campaigns, six successful. I try to work with people of all political persuasions who are committed to supporting people and building a strong community.

Helping with TASS is a role I was asked to do. I do not intend to do it for very long! Why? Because in the next six months or so, there should be a small group of northern TASS members who co-ordinate activity in the North and North West. That's my goal.

Encourage Friends to join TASS

TASS members who receive *Super-News* by email are encouraged to forward it to friends or former colleagues, particularly people who they know are still working in the state service, but near retirement, with the suggestion that they consider joining TASS.

TASS EXECUTIVE MEETINGS – MEMBER ACTIVITIES 2019

April	Tuesday 16	1:30pm	Executive Meeting	Hobart
May	Tuesday 21	1:30pm	Executive Meeting	Hobart
June	Tuesday 18	1:30pm	Executive Meeting	Hobart
July	Wednesday 24	1:30pm	Southern Members' Forum Guest Speaker: Kerry Adby Chair, Super Commission	Hobart
August	Tuesday 20	1:30pm	Executive Meeting	Hobart
September	Tuesday 17	1:30pm	Northern Members' Forum	Launceston – Cancelled
October	Tuesday 15	1:30pm	Executive Meeting	Hobart
November	Tuesday 19	1:30pm	Executive Meeting	Hobart
December	Tuesday 3	12:00pm	Northern Christmas Lunch	Launceston – Country Club
December	Tuesday 10	12:00pm	Southern Christmas Lunch	Hobart – Tas Hockey Centre

MEMBERS CAN RECEIVE *SUPERNEWS* ELECTRONICALLY

You can have *Super-News* emailed directly to and you can read it on your computer or tablet.

All you need to do is send an email to: info@tass.org.au with the words 'Super-News' as the subject. **There is no need to write anything else.**

USEFUL CONTACTS FOR TASS MEMBERS

(Revised March 2019)

Retirement Benefits Fund (RBF)

All enquiries 1800-622-631
Website www.rbf.com.au

Australian Taxation Office (ATO):

Personal taxation information 13 28 61
Website www.ato.gov.au

Centrelink:

(Access Centrelink and Medicare services)
Older Australians and Financial Information Services 132 300
Disability, Sickness and Carers 132 717
Website www.humanservices.gov.au

TASS EXECUTIVE – ADMINISTRATION

TASS:

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CHANGE OF ADDRESS

Should you change your address please advise the **Membership Officer, Charles Thomas**, so that he can update our records. Tel: 0422 414 861

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