



Tasmanian
Association of
State
Superannuants Inc.

SUPER-NEWS

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No: 4/22

Summer Edition

November 2022

MERRY CHRISTMAS Christmas Functions

South

Date: Tuesday 6 December 2022

Time: 12 noon for 12:30pm

Where: Motor Yacht Club Tasmania
1 Ford Parade, Lindisfarne
Two course meal \$45 per person
Less \$10 contributed by TASS = \$35 pp



N.B. Drinks to be paid for individually. The venue can accommodate a maximum number of 70 people. Please RSVP to Charles Thomas, 0422 414 861 or info@tass.org.au by Wednesday 30 November at the latest, noting any dietary requirements.

North & North West

Date: Tuesday 13 December 2022

Time: 12:00noon for 12:30pm

Where: Grain Restaurant
Peppers Silo Hotel
89-91 Lindsay St Launceston
Two course meal \$40 per person
Less \$10 contributed by TASS = \$30 pp



N.B. Drinks to be paid for individually. The venue can accommodate a maximum number of 30 people. Please RSVP to Charles Thomas, 0422 414 861 or info@tass.org.au by Wednesday 7 December at the latest, noting any dietary requirements.

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

Southern members personal cost is \$35, Northern members personal cost is \$30.

RSVP to Charles Thomas, 0422 414 861 or info@tass.org.au by:

Southern function Wednesday 30 November, Northern function Wednesday 7 December

**** Membership Renewal form enclosed – complete this for membership expiry of 31.12.2022**

President's Report November 2022

We have found the pace of activity on our key initiatives quite sluggish over the past six months. Frustratingly, we are still to see any tangible outcomes regarding the 10% Cap Legislation. We are mindful, that the Albanese Labor Government has a number of issues of importance to deal with, and that the 10% Cap Legislation is a fair way down the list. But we will continue to keep pressing on this matter.

The other important matters include the dramatically rising cost of living, including the prediction that electricity and gas costs will continue to rise significantly over the next 12-18 months. Mortgage repayments and rents are also increasing. We know our members are and will be impacted, particularly as food, housing, and energy are major components of a retired person's budget. We at least have indexation of our RBF pensions, and while we have argued for better indexation with some link to wages growth, the current CPI indexation is probably doing better for us right now.

We also know that some of our members will have been affected by the serious flooding the country has experienced during the year. And now we are heading into summer, the fear, as always, will be on bushfires.

We would be interested in hearing your stories – how are you being affected by the current economic and weather challenges?

We recently were able to hold a southern Forum about Residential Aged Care after a previous postponement due to lack of numbers. We had a good turnout and attendees were positive about the presentations. We are currently planning a northern version for early 2023.

In my last report, I talked about the future of TASS. I mentioned declining membership, a need for renewal on the Executive, and gaining more input and commitment from members. To reiterate, there are some things I would like all of TASS' members to think about.

- Can you commit to serving on the Executive for a year or two?
- Can you find and sign up new members? – particularly those still working or recently retired.
- Can you offer to write relevant articles for inclusion in Super News?
- Have you got good contacts, or particular skills that would enhance the Executive?

The end of the year is approaching. Don't forget our Christmas functions and the RSVP dates - details are on the front page of this Super News. We look forward to meeting many of you and discussing ideas for the future of TASS.

The Executive sends its best wishes for the 2022 festive season to all its members. Keep safe.

John Minchin
President

An article of interest from TASS' Sponsor, Spirit Super:

Your super questions answered

A little knowledge can go a long way, especially when it comes to your super. Here we answer some common questions to help you boost your super.

Why does it matter if my super is with a few different super funds?

If you've had more than one job, you might have more than one super account.

Still proudly Tasmanian

Q spiritsuper.com.au



Consider the PDS and TMD available at spiritsuper.com.au/pds before making a decision. Issuer is Motor Trades Association of Australia Pty Ltd (AFSL 238 718, ABN 14 008 650 628).

The problem with multiple super accounts is you pay multiple sets of fees (one set for each account). Over the long term, these fees can add up and can significantly reduce your overall super balance. This means less money for you later.

Having only one super account also makes managing your super much easier. You only have to go to one spot to check your super balance and manage your investments and insurance.

Combining your super accounts used to be complicated, but now it's a lot easier. In fact, it can be done in just minutes.

To find super you have with other funds or held by the ATO, use our *Find and combine* tool in **Member Online**. You can find it under the *Contributions* tab.

Before deciding whether to combine your super, there are some important things you need to take into consideration. To learn more, head across to our [Combine your Super](#) page.

I've heard I can contribute to my spouse's super. Is that true?

It's common for partners to have different super balances. This could be because of a difference in age, income or time spent in the workforce. And if one partner stops working (or reduces their working hours) to bring up or care for family, the difference can be pretty significant.

Thankfully there's a way you can help boost your spouse's super, so they have more in retirement too.

Spouse contributions are personal contributions you make from your after-tax salary into your spouse's super account. Apart from boosting your spouse's super balance, you could also get a tax offset that could reduce your tax bill.

So, it's win-win!

Another way to boost your spouse's super is via **contribution splitting**. Contribution splitting lets you transfer or roll over some of the eligible before-tax contributions you've recently made to your own account into your spouse's account.

For details or to see if spouse contributions or contribution splitting could be right for your situation, read our [Boost your spouse's super](#) fact sheet.

Learn more about how you can help boost your spouse's super balance by [Making Spouse Contributions](#).

Disclaimer:

Advice on Spirit Super is provided by Quadrant First Pty Ltd (ABN 78 102 167 877, AFSL 284443) and issuer is Motor Trades Association of Australia Superannuation Fund Pty Ltd (ABN 14 008 650 628, AFSL 238718), the trustee of Spirit Super (ABN 74 559 365 913). Consider the PDS and TMD at spiritsuper.com.au/pds before making a decision. A copy of the Financial services guide for Spirit Super Advice is available at spiritsuper.com.au/financial-services-guide.

This article is for general information only and doesn't take into account your objectives, financial situation or needs. You should assess your financial position, personal objectives and needs before making a decision based on this information.

Southern Tasmania Forum

Residential Aged Care, Supported Accommodation and Retirement Village Living

On Tuesday 18 October, 54 Members and guests heard from an entertaining and informative panel of speakers involved in Residential Aged Care, Supported Accommodation and Retirement Village Living. Representatives from the Tasmanian Government's Consumer, Building and Occupational Services department (CBOS) which is responsible for Consumer Affairs and Fair Trading among other matters, the Council of the Ageing (COTA) and Queen Victoria Care (QVC) explained the legalities and their involvement in these facets of life which are so important to many, if not all, of us. The presenters happily accepted and answered questions and COTA had Aged Care booklets available for those who wanted further information. The Queen Victoria Care representatives circulated written material relative to their accommodation and

care options and took expressions of interest from those present to reserve a tour of their facilities at a future date.

Over afternoon tea we were able to continue talking to the presenters about any concerns we had. The Forum was very well received and we look forward to being able to present similar events in the future.

We are mindful of the fact that this Forum was also planned for the North of the State. We continue to work towards that for a date in 2023 as presenters were not available prior to the end of this year.

If you have an idea for a future forum subject that is relevant to retirees, please make sure to tell us and we will do our best to arrange speakers of interest.

Queen Victoria Care (QVC) summary of presentation

Carmen Rocchia (Corporate Services Manager) provided an overview of the history of Queen Victoria Care and the Chief Executive Officer, Jacqui Marden. “We are a community organisation that places individuals at the centre of everything we do. Situated in the beautiful community of Lindisfarne on Hobart’s Eastern Shore, we have offered tailored aged care services for older people for over 130 years. Our mission is to be the Centre of Excellence for an ageing-well community, providing respectful, compassionate, individual care that supports the independence of every resident.”

More information can be found on the website www.qvcare.com.au.

Chloe Doddridge (Client Liaison Officer) provided an overview of the services and facilities that are available onsite at Queen Victoria Care, these include, Residential Aged Care permanent and respite, Retirement Living, Fee for Service and Home Care.

Queen Victoria Care has four different unit types, both one and two bedroom options, with current prices ranging between \$380,000.00 to \$650,000.00. Chloe provided information and specifics on the ingoing contribution, deferred management fee and ongoing management fee. Fee for Service and Home Care are available within your unit to support you to stay well at home.

Chloe detailed the costs and daily fees for residential aged care respite and permanent options, providing specific information of the current fees.

Chloe will be conducting a group tour in the coming weeks, for those who expressed interest at the Forum. We would like to encourage you to contact Chloe Doddridge at Queen Victoria Care on (03) 6243 3100 or cdoddridge@qvcare.com.au if you have any questions, would like an information pack, or would like to arrange a time for a tour of the facility.



TASMANIAN ASSOCIATION OF STATE SUPERANNUANTS INC

FINANCIAL STATEMENT FOR THE PERIOD 1 JANUARY TO 31 OCTOBER 2022

MYSTATE BALANCE AS AT 1/1/22 **\$10,876.88**

INCOME

Member Subscriptions	\$3,690.00
Donations	860.00
Interest	470.96
Sponsorship	6,000.00
TOTAL INCOME	\$11,020.96

LESS EXPENDITURE

Affiliations	\$ 375.00
Annual Return	66.00
Functions	608.00
Internet	92.70
Miscellaneous	46.78
New Laptop	1,542.00
Office	530.38
Postage	937.70
Special Mail-outs	1,985.50
Super-News	4,256.91
Zoom	230.90
TOTAL EXPENDITURE	\$10,721.87

SURPLUS FOR PERIOD **299.09**

MYSTATE BALANCE AS AT 31/10/22 **\$11,175.97**

MYSTATE TERM DEPOSIT AS AT 31/10/22 **\$63,000.00**

TOTAL FUNDS **\$74,175.97**

COMMITTEE REPORT:

This Financial Statement presents fairly the financial position of TASS and the results of its operations for the period ended 31 October 2022.

Michael Walker CPA
Treasurer

John Minchin
President

Retirement Incomes in Australia – the Contribution of Defined Benefit Pensions

On 8 November 2022 The Financial Review ran a story which was headlined with the following comment - *“Extremely generous” lifetime pensions worth more than \$300 billion for retired public servants should be scrutinised in any review of the taxation of superannuation, critics say.*

It is indeed unfortunate that the view of our pensions being extremely generous still pervades discussion on retirement incomes. Personally, I consider such views continue to be put forward by those with a vested interest in taking the focus from the very generous taxation treatment of the superannuation industry and the exploding, but largely hidden, budgetary cost of these concessions.

At a National level I consider that the role of organisations such as the Tasmanian Association of State Superannuants (TASS) and the Australian Council of Public Sector Retiree Organisations (ACPSRO) is to seek transparency in the support being provided to the various parts of Australia’s retirement income system. In the last couple of days the Commonwealth Government has introduced legislation which will permit pensioners to undertake more work before they face an effective marginal tax rate of 50 cents in the dollar on that additional income. These changes will be in place until the end of 2023 and will provide pensioners with a net benefit of just \$2,000, provided they do not breach the fortnightly guidelines of CentreLink.

Contrast this limited benefit to those on some of the lowest incomes in Australia with the very generous \$10,000 per annum benefit which is going to flow in perpetuity to high income earners from the Stage 3 tax cuts. Unlike the age pension which is an identified budget expenditure and subject to means testing, the Stage 3 tax cuts are a hidden expense. Those cuts are income forgone, and do not show on the expenditure side of the budget.

I wonder if the same decisions would be taken by government if these tax cuts were delivered as a direct budget payment and we kept the tax rates unchanged!

This is what I mean by transparency.

We need to move from hidden subsidies and policy delivered through income foregone and replace them with direct budget payments. By doing so decision making for Government will be improved and expenditure on all programs will be regularly subjected to the stringent oversight programs such as the age pension currently receive.

I also consider that if things were more transparent then it would be much more difficult for commentators to get away with outrageous statements such as the one above.

With many retirees on defined benefit pensions also in receipt of a full or part age pension we need to clearly highlight that all is not beer and skittles for these retirees. The funding of the age pension is very transparent, however it suffers from high effective marginal rates of taxation referred to as “taper rates”. These effective rates are set at 50 cents in the dollar for earned income and over 100 cents in the dollar for assets held by pensioners. This means testing impacts harshly on retirees whose pensions are supplemented by either additional work or a defined benefit income stream.

The Financial Review article comments on the generosity of our indexation arrangements. But consider for a moment the following. For those on a part age pension, 50% of any indexation benefit is lost as the part age pension is reduced. Indexation benefits will also be further eroded by any income tax levied on the Defined Benefit (DB) pension. But these facts are forgotten by those who say our pensions are generous.

By delivering the superannuation guarantee concessions as transparent direct budget payments in the same way our DB pensions and the age pension are delivered, perhaps our pensions would not look as attractive. It would highlight the fact that while age pensioners can now earn an extra \$4,000 in gross income before being subject to the harsh imposts of the income test, this is still well below the \$18,200 per annum a retiree on an account based pension who is ineligible for a part age pension can earn before paying any income tax. It would also highlight the fact that the effective marginal tax rate on earnings above \$18,200 is initially just 19 cents in the dollar and not the 50 cents in the dollar levied on pensioners. It would also highlight the tax free income they receive from their account based pensions.

So let us call for transparency.

No one is better off and no one is worse off by seeking transparency.

But at least if things are transparent, when government wants to make decisions in future about where to spend scarce resources it can do so in a way which is likely to not be highly regressive and instead delivers most benefit to those who are most in need.

John Pauley
Vice President

Surviving Spouse – changes to the regulations 2021

The following information is available on the RBF website.

Introducing the Provisional Surviving Partner Pension Declaration

Since 31 March 2022, a new Provisional Surviving Partner Pension Declaration form allows a reversionary pensioner to declare a person as their partner (at that time). This form is completed by both the reversionary pensioner and their declared partner.

On the death of the reversionary pensioner, the Superannuation Commission (Commission) will consider whether, based on the information available to the Commission, the declared partner is at that time 'reasonably likely' to meet the definition of a Surviving Partner and eligible to receive a Provisional Surviving Partner Pension.

If approved, the Provisional Surviving Partner Pension may be paid for up to 6 months while a Surviving Partner Application form is submitted and determined by the Commission.

Please refer to the following form for additional information.

[https://www.treasury.tas.gov.au/Documents/RBF_Form - Reversionary RBF Life Pensioner Partner Declaration Form.pdf](https://www.treasury.tas.gov.au/Documents/RBF_Form_-_Reversionary_RBF_Life_Pensioner_Partner_Declaration_Form.pdf)

The Surviving Partner Application

The surviving partner application process is unchanged. On the death of a reversionary pensioner, a revisionary pensioner's partner must complete a Surviving Partner Application form and provide up-to-date and certified documentation. This application allows the Commission to determine whether they are the Surviving Partner and are eligible to receive the ongoing Surviving Partner Pension.

Please refer to the following form and informative application checklist.

[https://www.treasury.tas.gov.au/Documents/RBF_Form - Application to be determined as a surviving partner \(pensions\).pdf](https://www.treasury.tas.gov.au/Documents/RBF_Form_-_Application_to_be_determined_as_a_surviving_partner_(pensions).pdf)

[https://www.treasury.tas.gov.au/Documents/RBF Fact Sheet - Reversionary Life Pension Surviving Partner Application Checklist.pdf](https://www.treasury.tas.gov.au/Documents/RBF_Fact_Sheet_-_Reversionary_Life_Pension_Surviving_Partner_Application_Checklist.pdf)

Important things to remember:

- *If there is no Provisional Surviving Partner Declaration on file at the time of the reversionary pensioner's death, the reversionary pensioner's regular payment will cease.*
- *Completing the Provisional Surviving Partner Declaration can assist with continuity of income for the potential surviving partner.*
- *A joint bank account is a helpful piece of supporting documentation but does not guarantee payment under either the declaration or application processes.*

Staff at RBF are available to help with the completion of the forms and documentation required on making a declaration and following a member's death. They may also copy and certify documents.

Questions?

You can or call RBF on 1800 622 631 to book an appointment to attend an RBF office in Hobart and Launceston or email at RBF.enquiries@treasury.tas.gov.au.

Jenny Cosgrove

Director, Office of the Superannuation Commission, Department of Treasury and Finance

Useful contacts for TASS Members:

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:

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Northern Tasmania Representative: Vacant

North-West Tasmania Representative: Donald Wells Ph: 6432-3641

Change of Address:

Should you change your address and/or email details please advise the **Membership Officer, Charles Thomas**, so that he can update our records. Phone: 0422 414 861

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