



Tasmanian
Association of
State
Superannuants Inc.

SUPER-NEWS

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Changes to the Superannuation Commission

The Superannuation Commission (SC) is the statutory body that oversees the operation of the RBF Defined Benefit Schemes. It effectively took on the role formerly held by the RBF Board. You may remember that TASS was asked to nominate a person to sit on the three member Commission, and as a consequence, Chris Bevan was nominated and appointed as a member of the Commission.

Four years after the formation of the SC, TASS received a letter from the Premier outlining planned changes to the Superannuation Commission.

The text of his letter follows:

Thank you for your letter of 22 July 2020 regarding the future structure of the Superannuation Commission.

The Commission and the Office of the Superannuation Commission have now been operating for three years and a number of implementation issues have been bedded down, including the transition to Link as the outsourced administration provider.

I am therefore of the view that it is an appropriate time to transition to a single member Commission. The transition will take effect from 1 October 2020.

Treasury will facilitate access to expert advisers from time to time, as required, to support the Commission's future work program.

I value the knowledge and expertise of the Tasmanian Association of State Superannuants and will continue to consult with you, where appropriate, in relation to member issues.

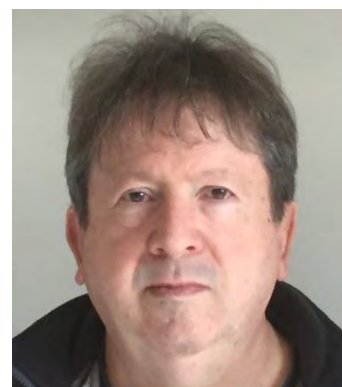
Once again, thank you for writing to me in relation to this matter.

TASS is rightfully concerned about the planned changes and will be writing to outline those concerns in the very near future. TASS is also unhappy that no consultation occurred prior to the decisions being taken to implement the change.

FROM THE PRESIDENT

TASS finally managed to hold its 2020 Annual General meeting in August some 5 months after the originally scheduled date, and at that meeting a new Executive was elected. This is my first report to TASS members in my new role as President. Details of the rest of the Executive are included in the AGM report on Page 6.

On 22 September, the Executive held its first face to face meeting since the COVID-19 crisis unfolded in March. Now that we are adept at holding virtual meetings via Zoom, it was a simple task to allow outgoing President Chris Bevan to join the meeting from home. A number of issues were on the Agenda and many of these are not new.



The 10% cap issue doesn't seem to want to go away – we won't let it! Andrew Wilkie MP recently wrote on our behalf to Senator Ruston, Minister for Families and Social Services. In his letter he requested the detailed reasons why the RBF Scheme could not be exempt from the provisions of the Social Security Act 1991. Details of his letter and the reply is included on Page 6. The response was essentially that only Military Pensions can be exempt. So we are now considering our next move, and discussions we have had with staff of Senator Lambie's Office may provide some opportunities.

Other recent activities include consideration of the impact of the planned changes to the structure of the Superannuation Commission (of which our former President Chris Bevan is a member, nominated for the position by TASS 4 years ago). We will report on this in due course.

An ongoing issue for TASS is the steady decline in membership, and this has been mentioned on a number of occasions over the last few years. If TASS is to remain viable, and to continue to be recognised by the State Government and RBF as the lead association representing the interests of RBF Life Pensioners, it needs to halt the decline and even better, to grow its membership. Over to you, our current members. What ideas do you have for increasing membership, especially from RBF DB members who are still working? Can you convince friends and work colleagues that joining TASS is a good thing to do?

I look forward to working with the Executive as we seek to protect and enhance the financial security of our members and their families.

John Minchin
President

Public Sector Superannuation Reform Amendment Regulations 2020

In June 2020, TASS was asked for its consideration and comments in relation to the draft Public Sector Superannuation Reform Amendment Regulations

The content of the draft regulations is of particular interest for to TASS, particularly those elements of the regulations which seek to improve the arrangements applying upon the death of a member of the Scheme and the payment of a Pension to the surviving partner.

In its submission, TASS said “We have sought such changes for some time and we are pleased that these regulations will introduce arrangements which will significantly improve the process for surviving partners at a difficult time in their life.”

The draft regulations introduced a range of additional other changes and on most of these TASS had no comment to make. “It is our view that these changes seek to reduce and remove ambiguity and will improve the operation of the scheme for members.”

TASS was particularly pleased that the test for the determination of a surviving partner is to be amended to allow the Commission to determine a person to be a surviving partner in the case where a spouse of a member is not living with a member due to medical or other reasons. This is an important change for many members and will reduce uncertainty where members experience long and debilitating illnesses.

TASS did have concerns related to the amendment of Regulation 101(3)(a). TASS wrote, “As stated in your letter the Commission is not able to currently permit a person who is not an employee of the State Service to become a member of the defined benefit scheme by claiming lost rights. Clearly, prior to leaving the State Service any employee should finalise any lost rights they may have had in relation to the scheme and this has been the purpose of Regulation 101(3)(a) to date. We do not, however, consider this provision should be extended to current State Service employees and this proposed amendment to Regulation 101(3)(a) should be deleted.”

Regulation 101(1) requires the Commission to be satisfied that a person has, otherwise than through his or her own fault, lost or ceased to be entitled to a right, privilege or benefit to which he or she was otherwise entitled or which he or she might have otherwise obtained and that it is equitable that he or she should be allowed to have the enjoyment of that right, privilege or benefit.

TASS’ experience is that employees have the greatest focus on their rights under the Act and Regulations as they approach retirement. It is at this time, when they are seeking to determine their entitlement to, and level of, a defined benefit pension, as a result of their on-going employment with the State Service, that they may uncover lost rights that they had previously been unaware of. The draft regulations sought to retro-actively abolish lost rights which a current employee may have.

In its submission, TASS pointed out that this change has the potential to impact most negatively upon women employed long term in the State Service who may only now be understanding the rights which should have been extended to them in the early years of their employment. TASS requested that the amendment to Regulation 101 should be deleted.

TASS now awaits feedback on its suggested changes to the Draft Regulations.

Embracing the future – whilst living in the time of COVID-19

Presentation at the TASS AGM by Sue Leitch, CEO, COTA Tasmania

The speaker at our recent AGM was Sue Leitch, CEO of Council of the Ageing (COTA) Tasmania who spoke on the above topic. The presentation Sue used in her talk will be published on the TASS website in the near future.

Sue began her talk by referencing reports and fact sheets prepared by COTA Tasmania, with the support of the Tasmanian government, which looked at the demographics of Tasmania and how our population is ageing. She also outlined insights taken from a deeper assessment of the 2016 Census relating to income, housing and employment and health, relationships and diversity.

This information identified Tasmania having the oldest population of the Australian states and that its population is ageing the fastest. The effect of this is that there will be an additional 80,000 Tasmanians over 65 years of age by 2060.

COTA's research highlighted that older Tasmanians had some of the lowest incomes in Tasmania in 2016 with over two-thirds of them receiving the age pension and 28% of them living below the poverty line. The research also identified that 10,000 Tasmanians aged between 45 and 65 had received Newstart and were at significant risk of entering old age in financial stress.

While three quarters of older Tasmanians owned their own home, those who were renting were experiencing rent increases, and an increasing number were experiencing homelessness and becoming reliant upon shelters. The increase in homelessness was more prevalent for women.

Sue outlined that Tasmania had the oldest workforce in the country and that in 15 of Tasmania's 19 industry groups the workforce had aged between 2011 and 2016. Tasmania also had the highest proportion of workers over 65 in the agriculture, forestry and fishing (11.5% of workers), rental, hiring and real estate (8.7%) and transport, postal and warehousing (7.4%) sectors.

Sue then outlined that since COVID-19 arrived late in February employment has fallen sharply both in Australia and Tasmania.

Sue stated that COTA's research had found that most older Tasmanians felt that they were generally in good health, despite over half were living with a disability. Around a quarter of those Tasmanians over 65 living with a disability lived alone and 76.3% of those older Tasmanians who were primary carers were caring for their partner with two-thirds of the carers being female. Older Tasmanians tended to have the lowest rates of smoking and alcohol consumption. They did however have the highest rates of being over-weight and not using active transport. They also had the lowest level of engagement in preventative health. Oral health was also tending to be a problem for older Tasmanians.

When it comes to relationships Sue outlined that older women were more likely to be widowed and 42.4% of Tasmanians over 65 lived alone. Older Tasmanians provided just 9.7% of the unpaid childcare in the State, the lowest proportion in Australia.

During COVID-19 Sue outlined that Lifeline Tasmania had a high proportion of callers giving:

- Fear and anxiety about the future;
- Lack of controls;
- Financial distress; and
- Isolation and loneliness

As the dominant reason for their call. Many callers also described these concerns as having:

- Impacts on their physical and mental health;

- Lack of motivation and purpose; and
- A loss of connectedness often related to their loss of employment.

Sue finished her talk with some considerations around what impact COVID-19 will have and whether there will be funding continued to update the situation of older Tasmanians as more data becomes available. She also outlined concerns relating to aged care, cost of living and the impact of COVID-19 on those middle class and more affluent Tasmanians whose income was more dependent on superannuation.

Her final point outlined COTA's Tassie's Kindness Connection and the role that project will play in Tasmania's COVID-19 recovery for older Tasmanians.

Sue addressed questions relating to:

- Use of ATM machines and the digital economy;
- Issues relating to disability and access to PPE, particularly cross employment which dominates that sector;
- How technology can impact on loneliness, and concerns relating to the use of technology particularly fraud;
- The move from cash to credit/debit cards as a result of COVID-19; and
- Concerns people have in relation to second round impacts of COVID-19.

Some pictures from the AGM



The New Executive

At our AGM, the following members were elected to the Executive Committee:

President	John Minchin
Vice President	John Pauley
Secretary	John Chalmers
Treasurer	Mike Walker
Membership Officer	Charles Thomas
Super-News Editor	Jeneane Thomas
Committee Members	Christopher Bevan Ross Brown Stephen Graetzer Murray Harper Jean Walker

Expressions of Interest

TASS invites members who would be interested in taking on the role of the Northern Representative for 2020 to make contact. This role is not part of the Executive, but enables the Executive to have a point of contact in the region both for the benefit of local members, and for the benefit of the Executive in gaining assistance in organising events or initiatives in the North when necessary.

Please contact the Secretary, John Chalmers on 0448 731 845, or via secretary@tass.org.au if interested.

Correspondence between Andrew Wilkie MP and Senator Ruston

TASS has been liaising with Andrew Wilkie MP about trying to establish why the RBF defined Benefits Scheme cannot be exempt from the provisions of the Social Security Act 1991. This was because the previous Minister for Social Services, Senator Porter had clearly indicated that there were provisions for schemes to be exempt.

In a letter to the current Minister for Social Services, Senator Anne Ruston, on 26 June this year, Andrew Wilkie MP wrote -

I am writing to seek clarification of the process by which a contributory defined benefit superannuation scheme may be declared exempt from the provisions of section 1099A of the Social Security Act 1991.

As you would be aware, in May 2015 the Commonwealth Government introduced the Social Services Legislation Amendment (Defined Benefit Income Streams) Bill 2015 (the Bill) into the Commonwealth Parliament. The Bill amended section 1099A of the Social Security Act 1991 to cap the deductible amount for defined benefit income streams, but specifically excluded military defined benefit income streams. As a consequence the deductible amount which can be subtracted from a retiree's asset-test exempt income stream for the purposes of applying the Age Pension income test is taken to be equal to 10 per cent even if it exceeds that amount. Consequently some recipients of defined benefit income streams had their part Age Pension reduced or cut.

On 8 February 2016, during Question Time, I asked the Government to reconsider this change to the income test for defined benefit recipients. The then Minister for Social Services, the Hon Christian Porter MP, in reply stated "it is obviously important to note

for present purposes that if it [a defined benefit scheme] was one of those very rare schemes that was contributory then there are bases on which the rules that we are about to introduce can be excluded."

However it seems that the only exclusion provided for under the Act are for military defined benefit income streams. This is a more narrowed set of exclusions than suggested by Minister Porter in his reply.

Section 9(1) of the Act defines the military defined benefit income stream. Subsection (d) of this definition states:

(d) a superannuation scheme specified in an instrument under subsection (2).

This refers to section 9(1F)(2) which states:

(2) The Secretary may, by legislative instrument, specify superannuation schemes for the purposes of paragraph (d) of the definition of military defined benefit income stream in subsection (1).

Please confirm whether or not this subsection is the mechanism by which a contributory defined benefit scheme may become excluded from the provisions of s1099A as stated by Mr Porter in his reply to my question. Or can this power only be applied to military defined benefit income streams? If this subsection does not contain the provision stated by Mr Porter, does such a provision exist elsewhere and, if so, please cite the section of the Act that enables a contributory defined benefit scheme to be excluded from the provisions of s1099A?

Given the need for action by the Secretary under subsection (2), I'd also be grateful for your advice:

- On how many occasions the Secretary has used their powers under this subsection;*
- which superannuation schemes have sought to become excluded via a legislative instrument and the determination made by the Secretary;*
- of the process by which an application may be made by a superannuation scheme to seek an exemption;*
- the precise type of superannuation schemes which would be relevant to specification under such a legislative instrument; and*
- the basis upon which an application would be assessed by the Secretary.*

For several years I have been meeting with the Tasmanian Association of State Superannuants (TASS) whose members were significantly impacted by the changes to the income test for defined pension recipients. They maintain that the Tasmanian State Government Contributory Scheme, to which all Tasmanian public sector employees under the age of 70 and appointed to a permanent full-time position prior to 15 May 1999 automatically became members, should be excluded from the 10 percent cap because they are a contributory defined benefit scheme. This Scheme is now managed by the Retirement Benefit Fund.

I would appreciate your assistance in clarifying exactly how the Act accommodates the ability for a superannuation scheme to become excluded from the provisions of s1099A, and whether contributory schemes can in fact be excluded.

On 14 Aug this year, Senator Ruston replied to this letter. She wrote -

Thank you for your letter dated 26 June 2020, concerning the 2015-16 Budget measure to cap the deductible amount for defined benefit income streams.

In your letter you referred to a statement, made during Question Time on 8 February 2016, by the then Minister for Social Services, the Hon Christian Porter MP, regarding exclusions for defined benefit income streams under s1099A of the Social Security Act 1991.

Only a military defined benefit income stream may be excluded from these provisions, under Subsection 9(1) of the Act. Section 9(1F)(2) to which you refer, enables the Secretary, by legislative instrument, to include only superannuation schemes that fit the definition of military defined benefit income stream as specified in subsection (1).

There is no discretion to exclude defined benefit schemes that are not military defined benefit schemes.

In response to the questions you raised in your letter regarding subsection (2):

- *On how many occasions the Secretary has used their powers under this subsection? None. No new schemes have been added since the subsection came into effect.*
- *Which superannuation schemes have sought to become excluded via a legislative instrument and the determination made by the Secretary? None. No superannuation schemes have applied or sought to be exempt under these provisions.*
- *What is the process by which an application may be made by a superannuation scheme to seek an exemption? If a new military scheme were to be established, the Department of Social Services would consider any request from the relevant superannuation scheme.*
- *The precise type of superannuation schemes which would be relevant to specification under such a legislative instrument? Military defined benefit incomes streams are the only eligible schemes to be included in this provision.*
- *What is the basis upon which an application would be assessed by the Secretary?*

The scheme would need to be a military defined benefit scheme.

As noted by the Treasurer, in answer to your question on 12 September 2019, the Tasmanian Retirement Benefits Fund contributing scheme is a type of defined benefit scheme that is intended to be covered by this measure. This is confirmed by the fund's product disclosure statement.

Thank you again for raising this matter with me.

TASS notes that once again, reference is made to a Product Disclosure Statement, which in the case of the RBF Defined Benefits Scheme, doesn't exist. Also, the statement in the house on 8 Feb 2016 by then Minister Porter, did not mention that exemptions could only apply to Military Pensions.

So, where to from here? The TASS Executive will be considering this question in the days ahead.

Save the date for the Christmas Function

Make a note in your diary now for the annual TASS Christmas Luncheon for your area. The Northern Christmas Luncheon will be held on Tuesday 1 December, followed by the Southern Christmas Luncheon on Tuesday 8 December.

The November SuperNews will have full details for both functions, venue, time etc.

A good story

TASS has a high level of desire to help its members. Earlier this year TASS was contacted by a senior member of the Tasmanian community. The member was close to 90 years of age and still living in his own home. A fantastic effort. However, he was convinced that he was only receiving his RBF Pension twice a year.

His family tried to explain that he was being paid correctly but to no avail; enter the President of TASS (Chris Bevan at the time). He rang the member and quickly realised that the personal touch was needed. Chris then drove to the member's house, got his daughter's approval to look at his paperwork, and took him through his bank records.

The member was pleased to find that he was getting paid correctly (never really in doubt) and identified that his CPI letters (January and July) had been read incorrectly as his 'payments'. The member's son rang recently to advise that the member had passed away, and to say that his Dad had spoken very highly of TASS and was grateful that the President was willing to go to his home to help.

Meet your new Treasurer

Name: Michael Walker

Early Years: Born and raised in Queenstown and educated at St Joseph's Convent School and Murray High School. Better at sport than at school, I participated in football, cricket and junior athletics on the infamous gravel oval. I also played basketball indoors. I left school at 16 for employment as a junior clerk at the Mount Lyell Mining & Railway Company. In 1967 I was conscripted for national service and was located at Puckapunyal and Randwick before spending a year in Vung Tau, South Vietnam. Returned to Queenstown in May 1969 and married Joy in August of that year. Having returned to employment with Mount Lyell we then moved to Burnie where I secured a clerical position with North West Acid which was a Mount Lyell-EZ Company joint venture.

Further Working Life: Soon after starting at North West Acid I was encouraged to commence accounting studies at Burnie Technical College and subsequently at the Tasmanian College of Advanced Education. I enjoyed my time at the acid plant but with the added knowledge gained from my accounting studies I applied for and was successful in being appointed to the position of School Accounts Officer with the Education Department. I was the inaugural appointee to this new position in North West Tasmania. Even though there was an internal audit component to this position I thoroughly enjoyed the advisory aspect and the travel to a range of schools in any given week. From this role I took the plunge into teaching in the Business Studies Department of the Burnie Technical

College where I specialised in Accounting, Taxation and Small Business subjects. I also had the opportunity to do a limited amount of private practice in Audit and Taxation. During my time in the TAFE sector I was involved in numerous organisational restructures and progressed from teaching into management at both a regional and State-wide level. I retired from TAFE Tasmania in 2005. During my transition to retirement an interesting sideline involved a brief sojourn to Queenstown TAFE to temporarily fill a head of campus position. So my working life had completed a full circle.

Family and Travel: Joy and I moved to Hobart in mid-2005 to be closer to children and grandchildren. We have two adult children and seven grandchildren. Joy started her career as a high school teacher with the Education Department, then as a Program Coordinator and tutor in adult literacy and numeracy with Adult Education and finally in Student Services at the Burnie Campus of UTAS. We have been delighted to be actively involved in the lives of our grandchildren. We have also travelled extensively in Australia and Overseas and with the current COVID situation around the world consider ourselves very fortunate to have done so.

My other Love: I have been involved with athletics for over 45 years as a competitor and administrator. I completed 700 cross-country and road races with the Professional Cross Country Club in North West Tasmania and spent 15 years on the committee including stints as Secretary and Treasurer. I was a member of the founding committee of the Burnie Ten footrace in 1985 and went on to compete in 24 of the next 26 editions of the event. Since moving to Hobart I have been active with Tasmanian Masters Athletics as a competitor and office bearer. I was Secretary/Public Officer for 10 years and Treasurer for four years including the present. I also served a three year term as Treasurer of Australian Masters Athletics. I am currently making successful recoveries from the replacement of both hips. Over the past 15 years in Hobart I have been able to assist several sporting clubs with audit services. I have now retired my green pen.

Change to TASS banking arrangements



The TASS Executive has decided to consolidate our banking with the one organisation. We have opened accounts at MyState Bank. The main reason for the change was to have TASS's investment funds in an institution that gives protection via the Australian Government Deposit Guarantee Scheme. As well, it was thought that MyState is a good fit for our association.

We have opened both an operating account and a fixed term deposit account.

For members who renew using direct deposit either online or at a branch, changes will be minimal. The Bendigo Bank account that you have been depositing into will be replaced by **MyState Account BSB: 807-009; Account Number: 30137067; Account Name: Tasmanian Association of State Superannuants**. In Tasmania, MyState has branches at Glenorchy, Hobart, Kingston, New Town, Rosny, Kings Meadows, Launceston, Burnie and Devonport. For those who pay by cheque, there is no change: TASS remains the Payee.

If you have TASS's account details saved in your online banking address list, please ensure that you alter the details to those above.

TASS Meeting Schedule – 2020

Jan 2020	Tuesday 21	1:30pm	Executive Meeting	MYCT Boardroom 1 Ford Parade, Lindisfarne
Feb 2020	Tuesday 18	1:30pm	Executive Meeting	MYCT Boardroom 1 Ford Parade, Lindisfarne
Mar 2020	Tuesday 17	1:30pm	Annual General Meeting	Postponed
April 2020	Tuesday 21	1:30pm	Executive Meeting	Via Zoom
May 2020	Tuesday 19	1:30pm	Executive Meeting	Via Zoom
June 2020	Tuesday 16	1:30pm	Executive Meeting	Via Zoom
July 2020	Tuesday 21	1:30pm	Southern Member's Forum	Cancelled
Aug 2020	Tuesday 18	1:30pm	Executive Meeting	MYCT Boardroom 1 Ford Parade, Lindisfarne
Sept 2020	Tuesday 15	1:30pm	Northern Member's Forum	Cancelled
Sept 2020	Tuesday 22	1:30pm	Executive Meeting	MYCT Boardroom 1 Ford Parade, Lindisfarne
Oct 2020	Tuesday 20	1:30pm	Executive Meeting	MYCT Boardroom 1 Ford Parade, Lindisfarne (TBC)
Nov 2020	Tuesday 17	1.30 pm	Executive Meeting	MYCT Boardroom 1 Ford Parade, Lindisfarne (TBC)
Dec 2020	Tuesday 1	12.00 pm	Northern Christmas Lunch	To be advised
Dec 2020	Tuesday 8	12:00 pm	Southern Christmas Lunch	To be advised

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

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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: 0422414861

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