



Tasmanian
Association of
State
Superannuants Inc.

SUPER-NEWS

Postal: GPO Box 1650
Hobart, Tasmania 7001
Telephone: 0448 731 845
Email: info@tass.org.au
Website: www.tass.org.au
Facebook: www.facebook.com/TASSTasmania

No: 3/24

Spring Edition

September 2024

Northern Forum Tuesday 24 September 2024

A most interesting and informative presentation from representatives of the Tasmanian Police Cybercrime Unit was made to members at the conclusion of the TASS Annual General Meeting in March. It was agreed that TASS' northern members would find the topic of benefit and a Forum has been arranged for Tuesday 24 September 2024. Details are:

- Venue:** Town Point Function Room
Peppers Silos Hotel, 89 – 91 Lindsay Street, Launceston
- Time:** 1:30 to 4:00pm (including afternoon tea)
- Guest Speaker:** Detective Sergeant Paul Turner and Commander Troy Morrisby of the Tasmania Police Cybercrime Unit.
Paul and Troy will speak about cyber scams, staying safe online and in particular investment type scams to educate members on things to look out for.
- RSVP:** By 5:00pm Thursday 19/09/2024 to Jeneane Thomas, 0408 485 902, or info@tass.org.au

Presidents Report – August 2024

In this report I want to talk about a few things. First up is indexation of our pensions. Then I want to just look at how indexation is keeping up with critical prices, such as energy prices. I will also provide a summary of a recent meeting I had with the Head of Treasury and the Superannuation Commissioner and I will conclude with some brief remarks around recent lobbying efforts.

Also, elsewhere in this edition of SuperNews is some information regarding a forum we are running later in the year.

Here we are in a new financial year and we have just received our regular six monthly CPI increase in our pensions. You may have noticed that during July there were two changes in the income received. The first change occurred in the payment received on or about 28 June. This increase represented the CPI indexation of 1.552%. You may have also noticed a further increase in your next pension payment. This increase related to the income tax changes which came into effect on 1 July 2024.

While the indexation of our pensions helps to reduce the impacts of inflation and the cost of living increases we all face, does it go far enough? The indexation of our pensions is lagged one quarter. The increase received in July is based on the CPI changes for the December 2023 and March 2024 quarters. So we are always a bit behind the '8 ball'.

Over the period June 2023 to June 2024 the underlying inflation, as represented by the CPI was 3.81%. However, over that same period our pensions only increased by 3.62%. In effect, we fell behind by 0.2%. There is not much we can do about this, and perhaps when the Government gets inflation under control we will get a bit of a catch up.

But how do these changes compare to the cost of some critical expenses we all face, and which can't be avoided. In this note I will just look at electricity and base my comments on my electricity bill. In June 2024 I was more careful with my electricity use and ended up using 3.5% less electricity than in June 2023. But my bill went up! It increased by 4.9%. Overall, the cost of my electricity increased by 8.7%, more than double the CPI and also more than double the CPI indexation of our pensions.

So, indexation helps a bit, but if we look at all those expenses we can't avoid like electricity, gas, rates, insurances, car registration, fuel and food, it's no wonder most feel they are going backwards.

Gratefully the State and Commonwealth governments have provided some cost of living relief for our power bills. \$250 from the State Government and \$300 from the Commonwealth. There has also been a small reduction in the amount of income tax paid, for those who pay tax, and there are some other small cost of living benefits also available such as changes to the frequency of prescriptions.

But all up do these bits of assistance fully off-set the rapidly rising costs faced by older Tasmanians, many of which can't really be avoided? I would be pleased to hear how the current cost of living pressures are impacting on your budget.

As I indicated in the last edition of Super News I met with Gary Swain the incoming Secretary of the Treasury and Evelyn Horton the Superannuation Commissioner. I found the discussion of interest and informative and was able to raise seven items which are of interest to TASS. These items were:

1) use of RBF member funds to support Tasmanian Government spending;

It was pleasing to hear that this issue is no longer on the government's agenda. While our pensions are not affected by such decisions, it is important to appreciate the need for the Superannuation Commission to maximise the returns from the invested members' funds in order to minimise the annual cost to government of meeting our superannuation.

2) the returns achieved on RBF funds;

While we appreciate the efforts of the Commission to maximise returns on the funds held, I indicated that some do not fully understand the nature of the RBF arrangements and that TASS considers that the Commission should be providing regular information on the returns being achieved. Such information would help to communicate the work of the Commission to its members. I also stated that while we understood that the Commission is not in a position to provide information in the manner provided by the Future Fund, there would be value in such information being provided to members on a regular basis.

3) the announcement during the election campaign by the Premier to add funds to RBF;

This is quite a complex topic and it is something government is working on. I made the point that using a proportion of GST funds coming to Tasmania for this purpose may not be the best use of those funds. The discussion also included some of the costs and benefits of alternative sources of funds available to the government. I think that in the same way that funds which, perhaps, should have been put aside to fund our superannuation in the past were instead used to fund needed public services and infrastructure, GST revenues may today be better utilised to do the same and reduce the borrowings needed by government.

I also pointed out that there may be taxation implications for retirees from implementing this policy and that as investigations progressed consideration should be given to those taxation implications. It is important that if the government goes down this path no retirees are made worse off by any changes and that appropriate legislative arrangements are put in place to protect retirees from adverse and unintended consequences.

I also indicated a significant number of low income retired public servants still suffer today from the unintended consequences of recent Commonwealth Government legislative decisions which sought to close a loophole supposedly being used by high income defined benefit retirees.

4) the issue of a sole Commissioner and ongoing governance of the fund;

We had a good discussion on this issue and the risk management practices in place offset the risk of a sole commissioner. I was also able to better understand the conflict of interest issues which arose previously when there were three commissioners. The current Commissioner certainly brings considerable integrity to the position and is committed to ensuring that any potential conflict of interest can be effectively considered and managed. As a final point on this issue, while I pointed out that while the risk of things going wrong is extremely small, in the interests of sound governance, especially given the nature of the funds managed by the Superannuation Commission and the importance of its task, that consideration should be given to restoring a three person commission at the end of Evelyn's term.

It will always be the unexpected which offers the greatest risk and a three person commission should be better placed to deal with an unexpected event.

5) the recent actuary's report into RBF and what it may mean for members of the scheme;

Evelyn has offered for herself and Peter Wise, Acting Director, Office of the Superannuation Commission, to meet with me later this month and I hope I will be able to report on that meeting in the next edition of SuperNews.

6) recent comments by a number of commentators in the press regarding the superannuation liability of the State Government;

I was able to point out to Gary and Evelyn that retirees are affected by comments coming from a number of commentators in relation to the contingent liability associated with our superannuation payments. I made it clear that these comments are usually characterised as retired public servants are getting something they do not deserve and that they are excessive. I also pointed out that these commentators, almost universally, forget that our conditions of employment included compulsory superannuation. For me those conditions go back to 1973. The commentators also forget that on a fully funded basis our superannuation was nominally funded at around 15% for the full period of our employment, and included compulsory after tax contributions of at least 5.5%. This contrasts to the superannuation guarantee arrangements which are only now approaching 12% and include quite generous tax concessions. That governments consciously chose not to fully fund our superannuation and instead devoted the funds to needed public services and infrastructure is an unfortunate accident of history and today's retirees should not be made to feel they are receiving a benefit they are not entitled to.

7) communications between the Superannuation Commission (the trustee for member's funds) and its members;

On this final item I acknowledged that the Commission does not have any marketing staff and operates on a tight budget. I did however point out though, that as people approach retirement they have difficult decision to make and many do not have the financial skills to fully understand the various options available to them in order to achieve a successful retirement. There are now a wide range of retirement income products available and as the Commonwealth Government makes adjustments to superannuation legislation the rules become more and more complex.

In this environment TASS considers that the Commission has an important role to play, and in the same way pressures are being applied to superannuation fund managers to provide improved advice to members, the Commission has a role to inform and educate its members, both still employed and also those who are retired.

As part of this discussion I was made aware that the Commission is seeking to make its annual report more digestible and I indicated that perhaps members may more readily read a one page (double-sided perhaps) snapshot of the Commission's annual performance and the issues it is addressing.

Finally, I wish to address the changes to superannuation law which are currently before the Commonwealth Parliament. As I indicated in the last Super News these changes have the potential to adversely impact on retirees in receipt of a defined benefit pension. I have recently written to a cross section of politicians outlining the potential impact and will be writing again in the very near future reinforcing that these proposed changes will potentially deliver effective marginal tax rates of 60% to some retired public servants and will also impact more harshly on females who are in receipt of a defined benefit pension.

Given the concerns around the taxation of unrealised capital gains by those with a self-managed super fund, I hope our politicians will see the error of applying this new tax to defined benefit pensions where there is no underlying asset supporting the pensions and where the pensions are already taxed as normal income.

Hopefully I will catch up with a few of you at our 50th Anniversary luncheon which is being held on 29 August at Drysdale House in Hobart.

John Pauley
President

Mobility4All Sponsorship

You will notice the advertisement below from a new sponsor of TASS, Mobility4All.

Mobility4All as the name suggests, is in the business of selling mobility aids. Their range is literally anything you can think of in this field from walking sticks and crutches to ride-on scooters and stair lifts.

For Southern members in particular they are located conveniently in Moonah. So, if you or any family or friends have any mobility needs, we encourage you to check them out.



Forum for retiring RBF members

- Purpose:** To be held in conjunction with the Union movement to provide information for employees approaching retirement. This is also a refresher for TASS members and their guests who are already retired.
- Content:**
- Defined Benefit Pension – Superannuation Commission
 - Account based pensions/lifetime income streams – an Industry Super Fund.
 - Age Pension/means testing – Services Australia
- Venue:** Hobart Workers Club
Level 2, 74 Elizabeth Street, Hobart
- Day/Date:** Thursday, 10 October 2024
- Time:** 7pm to 9pm
- Cost:** Forum free of charge. Pre forum drinks and meals available at cost to participants.
- RSVP:** By 5pm, Thursday, 3 October 2024 to Jeneane Thomas, 0408 485 902 or info@tass.org.au
-

TASMANIAN ASSOCIATION OF STATE SUPERANNUANTS INC

RECEIPTS & PAYMENTS FOR THE PERIOD 1 JANUARY TO 31 JULY 2024

MYSTATE BANK BALANCE AS AT 1/1/24		\$ 7,892.24
INCOME		
Member Subscriptions	\$1,430.00	
Donations	335.00	
Interest (Term Deposit)	2,476.00	
Luncheon	120.00	
TOTAL INCOME	\$4,361.00	
LESS EXPENDITURE		
Annual General Meeting	216.00	
Annual Return	71.20	
Email	352.59	
Functions	892.25	
Miscellaneous	13.25	
Office	1,376.68	
Postage	767.74	
Super-News	3,201.89	
Travel	150.00	
TOTAL EXPENDITURE	\$ 7,041.60	
DEFICIT FOR PERIOD	(\$ 2,680.60)	
MYSTATE BANK BALANCE AS AT 31/07/24		<u>\$ 5,211.64</u>
MYSTATE TERM DEPOSIT AS AT 31/07/24		\$63,504.68
TOTAL FUNDS		\$68,716.32

COMMITTEE REPORT:

This Financial Statement presents fairly the financial position of TASS and the results of its operations for the period ended 31 July 2024.

Michael Walker CPA
Treasurer

John Pauley
President

Declaration Form for RBF – have you completed this form?

This has been published previously in Super News but for your reference it is repeated this September issue.

For those members who have a spouse/partner and receive a Reversionary Life Pension or perhaps both partners are Defined Benefit Life (DB) superannuants, the following information is very important.

If both partners are DB superannuants, they must BOTH complete an individual Declaration Form and lodge it with the Retirement Benefits Fund (RBF). [Retirement Benefits Fund](#)

When completing the [Declaration form](#) the Superannuant and Spouse must provide RBF with proof of **any** of the following documents, current Drivers Licence or Passport. If you don't have a current Drivers Licence or Passport, the most recent (less than three months old) Council Rates Notice, an Electricity Account, or a TasWater Account will be accepted. Both names need to be noted on these accounts. When submitting the form to RBF copies of all documents must be certified correctly or you can take the original documents to any RBF office and have a copy made and certified by an RBF Superannuation Officer who is authorised to certify documents. All original documents will be returned to you.

Do not send original documents by post.

When this [Declaration form](#) is recorded by RBF it enables RBF, when notified of the death of the Superannuant, to consider continuing to pay the surviving spouse, two-thirds (2/3) of the deceased Superannuant's Defined Benefit (DB) pension on a fortnightly basis for a period of six (6) months.

Following notification of the Superannuant's death, the RBF will request the surviving spouse to complete an "Application to be Determined as the Surviving Partner" form (**Application**). The surviving spouse should complete this form and return it to RBF as soon as possible, as the RBF will only pay the interim 2/3 pension for a maximum period of six (6) months from the death of the Superannuant.

If the **Declaration** form is **not completed** by the Superannuant prior to the Superannuant's death, the form is no longer required and payment of the two thirds (2/3) DB pension **will not commence**. The **Application** form must then be completed and approved by RBF before any payment can be made to the surviving spouse.

It is very important that the Surviving Spouse, on the death of the Superannuant, call the RBF Enquiry Line on **1800 622 631** to advise them and request all information required to continue payment of entitlements. RBF is there to assist and will mail documentation to the Surviving Spouse if that is preferred.

Tasmanian Members:

If you wish to have a face-to-face appointment or require general assistance with an RBF Superannuation Consultant in Hobart, Launceston, Devonport or Burnie, please ring the RBF's Administrator (Link) enquiry line on **1800 622 631** to arrange a convenient time. Alternatively, you can call into the Hobart or Launceston Office for assistance.

Depending on your location and/or situation you can request a video conference with a Hobart RBF Superannuation Consultant by ringing the enquiry line 1800 622 631.

Hobart Office – Ground Floor, 21 Kirksway Place. Launceston Office - Level 3, Henty House, 1 Civic Square

Interstate Members:

For assistance regarding the Declaration form, you need to ring the RBF's Administrator (Link) enquiry line on **1800 622 631** for assistance, or to request a video conference with a Hobart RBF Superannuation Consultant.

The following applies to all members, regardless of their location: If you are sending copies of all necessary documentation of proof, remember they must each be certified by a Justice of the Peace or Commissioner of Declarations. **Do not send original documents.**

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

Services Australia

(Access Centrelink and Medicare services)

Older Australians and Financial Information Services 132 300
Disability, Sickness and Carers 132 717
Website www.servicesaustralia.gov.au

TASS Executive – Administration:

TASS Postal Address: GPO BOX 1650, Hobart, TAS 7001
E-mail: info@tass.org.au
Phone: 0448 731 845
Website: www.tass.org.au
Facebook page: www.facebook.com/TASSTasmania
President: John Pauley Ph: 0415 287 115
Vice President: Murray Harper Ph: 0408 487 527
Secretary & Public Officer: John Chalmers Ph: 0409 491 245
Treasurer: Mike Walker Ph: 0428 376 741
Membership Officer: Charles Thomas Ph: 0422 414 861
Super-News Editor: Jeneane Thomas Ph: 0408 485 902

Other Committee Members:

Jean Walker, Stephen Graetzer, Ross Brown, Chris Scott, Jeff Garsed, David Louez

Northern Tasmania Representative: Vacant
North-West Tasmania Representative: Donald Wells Ph: 0428 415 852

Change of Address/or Email 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 or info@tass.org.au

DISCLAIMER

Super-News is published by the TASMANIAN ASSOCIATION of STATE SUPERANNUANTS Inc. ("the ASSOCIATION"). This publication is provided by the Association in good faith to collect and provide information which may be of interest to Retirement Benefits Fund (RBF) pensioners and members of the RBF defined benefits scheme.

The Association is not affiliated with the RBF or any other superannuation fund in any way and is not responsible for the products and services, views, or actions of the RBF or any other superannuation fund.