Issue 50 September 2017

THE SUPERANNUANT

Newsletter of the South Australian Government Superannuated Employees Association Inc.
Trading as SA Superannuants Established 1927 www.sasuperannuants.org.au

Membership Applications/Renewals
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The President's Column

New Committee Members Needed - Urgent

Over the last several meetings of our organisation I have stated my concern, and that of Committee members, on the necessity of finding new Committee members.

The recent resignation of our Guest Speaker Coordinator and the notice given by our Newsletter Coordinator that February 2018 will be his last newsletter have now made this matter quite urgent.

In the last two years we have also lost two very experienced and long serving Committee members, Clive Brooks and Victor Potticary, who held senior positions of Vice-President and Secretary respectively.

Given the age profile of existing Committee members, it is now imperative that we recruit at least three new Committee members, and particularly urgent is the impending vacancy of the Newsletter Coordinator position. A duty statement for the Coordinator position can be found elsewhere in this edition of the newsletter.

If any person would like to find out more about the duties of Committee members and what a commitment to the Committee involves, then please talk with me or any other Committee member*.

There is a deadline for the Newsletter Coordinator position but for other Committee member positions there would be a gradual learning process. A prospective member could attend a few meetings before making a final decision to take up the position.

Some members have not taken up specific positions but have accepted other roles which they carry out on a regular basis. Others eventually take up more senior roles such as Vice-President, Secretary and Treasurer. In the past some positions have been shared, e.g. the position of Guest Speaker Coordinator.

Being a Committee member is a voluntary position, but it is also vital to the running of our Association. Membership of the Committee has a turnover which is not unrelated to the age-group of our general membership.

Please give this matter some thought and do not hesitate to discuss what you may be able to do with any member of our present Committee.

Peter Fleming

**Committee members may be identified by the bright badge bar that they wear (generally) for meetings.*

From Membership Officer, Max

As this is the last Newsletter for 2017, it is now my job to remind 292 members, and 41 partner members, that your fees are due for renewal by the end of this year, 31/12/2017.
The association is still very strong, with a total membership of 1516, made up of 1413 members and 103 partner members.

The committee has been very busy keeping a watch on the many tax changes being made to the various superannuation schemes in existence. Aged Care accommodation packages and Pharmaceutical costs have also been examined. We continue to be in touch with members of parliament on issues as they arise.

The Superannuant newsletter has been applauded by many readers as a source of much interesting and relevant information for retirees. We need to keep all the members we can for these valuable services to continue. Last year we lost 24 members as a result of non-renewal of fees.

On the up side of last year, 28 members decided to be optimistic and paid for two years in advance after receiving their reminder letters. I appreciate all payments of course, but two, three, or even four years in advance, shows a healthy attitude to life which is to be commended. However it would have been a greater delight, if these double fees could have been paid by the end of the year, instead of after the reminder letter.

So, once again, please get your renewals in before Christmas, thus ensuring membership continuity for the future. $15 per year, for each of as many years you choose, will increase the due dates in the data bank "no end". The life members are ever hopeful, but the 399 annual members are a mainstay of funds too. See! We not only value your membership, but we need your money too.

You do not want this to be your last newsletter or the last you ever hear from Superannuants, so

Get your fees in now,
so you don't forget.

See forms at p7-8.

Max Jahn

The Superannuant - Co-ordinator

Vacancy for someone with a communicative urge. Some keyboard skills in Word an advantage. Job sharing possible. Interesting work requiring attention over one month, three times in each year.

The Co-ordinator fits into available spaces the materials submitted by others, then transmits to the printer along with address-lists supplied by the Membership Officer. No mailing effort is needed.

Since the contents are pre-set and contributed by others, no writing of articles is required. The Co-ordinator does not edit for accuracy or completeness on the part of contributors. Minor typographic and content changes may be made for space reasons. Contributors keep their own writing styles.

Opportunities exist in design and in collaboration with the Webmaster. The whole of the Association's communications are reviewed each May. Relationships are pleasant and constructive. Guidance is available. Hand-over can be transitional.

Can you see yourself having some fun and being helpful in this role, perhaps with a friend? Have a word with the Secretary, please. Now.

David Donaldson

Retirement Villages Survey

Responses to a survey by University of Adelaide came from 240 of the 532 retirement villages in South Australia. Almost two-thirds of the residents were living within 10km of their former homes. Average age of entry had been 71 years.

About one-third had been in residence more than ten years, one-third less than five years and one-third between 5 to 10. More than half were living alone.

Most liked living where they are (84%) while 72% were satisfied with the maintenance services in their village. But only half felt a sense of community; only a third were happy with the social activities.

from Office for the Ageing

From the GM, Super SA

From 'CIPR' to 'MyRetirement'

The Commonwealth Government wishes to ensure that the tax concessions on superannuation are used appropriately and that the superannuation system remains safe and efficient. To this end, MySuper accounts were developed to provide low-cost and simple products for employers to choose as their default super fund in the *accumulation* phase. This only covered half the journey and so attention is now turning to the *retirement* phase.

The Financial System Inquiry led by David Murray in 2014 recommended 'Comprehensive Income Products for Retirement', otherwise known as *CIPRs*. This awkward title is being replaced by the slightly more descriptive *MyRetirement*. It covers the same subject, that is, financial products for use during retirement that target an individual's standard of living and make it easier to transition to retirement and provide some longevity protection.

The Government has released a discussion paper for public and industry consultation. It has agreed to support more efficient retirement income products and to facilitate trustees offering these products to members. However, the consumers haven't warmly embraced these types of products due to: the commitment of a substantial part of retirement savings to the products; paying upfront for insurance that protects against living beyond average life expectancy; the desire to leave bequests to family; and the preference to retain control over investments.

The discussion paper also places minimum requirements on these products that Trustees would have to accept. This is generating a lot of debate within the superannuation industry. If the requirements are considered too tough, then Trustees will look to limit their risk and then the resulting product will be less attractive. The principle has merit: to give retirees a *reliable income to live on* and *protection against outliving their savings.* The outcome may be that MyRet-irement isn't one 'simple' product but several.

John Montague

Members' Mailbag

Still paying income tax!@#$!

For the financial year 2016/2017 I received as fortnightly pension from Super SA -

Untaxed element	$30,922
Tax-free component	$537
Tax offset amount	$3,092

My Australian Tax Office notice of assessment for the year ended 30 June 2017 indicates I have a **DEBIT** to pay tax of $1,553 and some cents.

I read in the press of non-Super SA retirees receiving much larger retirement income and paying **no income tax at all.**

Having paid superannuation contributions from my salary for 30 years this seems discriminatory and **unfair!**

At age 71 years, **can I never escape** paying this annual Australian Tax Office Debit even if I live to 100 years of age?

I give permission for my question and your answer to be published in the excellent *The Superannuant* publication.

John M

Hello John,

Thanks for your letter and agreement for it to be published in the newsletter along with my response. Space available in *The Superannuant* at the time your letter arrived allows for it to be published in this September issue along with just an initial response from me. A more detailed response will appear in the February 2018 issue.

Unless tax rates change you are likely to be paying some tax even if you live to be 100 - you and most other people getting Super SA pensions or Commonwealth civilian and military pensions.

All these pensions are untaxed-source pensions whereas the retirees with larger pensions than yours who pay no tax are receiving taxed-source pensions. I would not say that this is unfair and in the next issue of *The Superannuant* I will explain why.

Cheers,
Ray Hickman

Speakers' Corner

Scamming You via Your Computer

Sgt Angie Clissold from SAPOL held everyone in the palm of her hand when she told us home truths about scam awareness. Scammers get hold of your information with you being unaware.

Spam is the generic term to describe electronic junk mail of all kinds.
Hacking occurs when the scammer breaks into a computer, mobile device or network by exploiting security weaknesses such as easily guessed passwords or dodges past an out of date anti-virus program to gain access to personal information.
Malware tricks a person by installing software that allows a scammer to access your files and track your activity online. To prevent such occurrences, install security software and update it regularly.
Phishing is where a scammer obtains banking details. You are led to click on unsolicited links in emails or follow redirection to a fake version of a legitimate site. There are over 26 known scams including advanced fee frauds, unexplained prize in a lottery, investment schemes, dating and romance sites.
Ransomware blocks or limits access to a computer and demands a ransom be paid to the scammer to unlock the code.

When using online payment methods, ***look*** for a secure symbol and padlock image. If the lock is undone that site is not secure. ***Set*** your password with 8 or more characters including both numbers and symbols. Do ***not*** use a birth date, anniversary, name of pet or child or spouse. Try not to use the ***same*** password for everything. [Easily said!]

Emails that are phishing you
Phishing emails are commonly used by scammers to trick you into giving them access to your computer. A phishing email often appears to come from an organisation that you trust like a financial institution or utility company. The layout may identical.
Protect yourself**:** Keep your computer security up-to-date with anti-virus and anti-spy software and a good firewall. Only buy software from a reputable source
Be cautious if you receive an SMS or email or call from your financial institution -don't provide your personal or financial details. Check the contact is legitimate: contact the organisation directly by using their official customer service details. If you think your financial details may have been compromised, contact your financial institution immediately, just as you would with a lost credit card.

Charity scams
Charity scams involve scammers collecting money by pretending to work for a legitimate charity. Often scammers will exploit a recent natural disaster. These scams divert much needed donations away from legitimate charities.
Protect yourself**:** First contact the charity directly. Use their own website to make the donation.

More help
The Australian Government has some great resources on how stay secure and safe online. Just google for Stay Smart Online and CyberSmart and Protecting Yourself Online. All the scams are listed in a booklet published by the Australian Communication and Media Authority (ACMA), whose website you can contact regarding scams. You can report any scams to police on 131 444.

Christine Venning

Alerts for Retired Persons

Retirees can get help with tax return

Local councils all have Community Centres, where among many kinds of help the Taxation Department employs volunteer accountants to assist with tax returns. My wife and I have been using this service at Gawler for years.

The Community Centre takes the bookings. They give us a list of requirements, including paper work and passwords to bring to the appointment.

The Tax Consultant is able to process returns which include income and deductions besides the Pension Scheme. Within half an hour, the return is completed. We know the result, and get a copy of the return. Job done for another year.

Membership Officer Max

Information Resources

The Pharmaceutical Benefits Scheme

Your committee has a subcommittee looking at the Pharmaceutical Benefits Scheme and would appreciate your feedback, especially how it could be made better. Please comment to the Secretary either by letter or email.

The Pharmaceutical Benefits Scheme is admired around the world particularly in the USA where medicines are exorbitantly expensive. When Isobel Redmond, the Member for Heysen spoke informally to university students in the US about this scheme, they were amazed.

When did the PBS begin?

PBS is a program of the Australian Government that provides subsidised prescription drugs to residents of Australia. The scheme forms the backbone of the Federal Government's broader national medicine policy. The Scheme is governed by the National Health Act of 1950. It began in 1948 under the Chifley government as an extension of the Repatriation PBS which was established in 1919 for service personnel participating in World War I and the Boer War.

Initially it gave to pensioners 139 life-saving and disease-preventing medicine free of charges. The list was free until 1960, when a 50cent co-payment was introduced by the Menzies Government. By 2003 there were 601 general products listed under 2602 brands. The Federal Government now subsidises the cost of medicines for most medical conditions.

Who can benefit?

You will receive medicine under the PBS as either a general or concessional patient to determine which co-payment level you are required to pay for prescriptions. Eligible for *general* are people who are an Australian resident and hold a current Medicare card. *Concession* patients need to hold one of these cards: Age pensioner concession, Australian senior health, Health, or DVA gold, orange or red card.

Foreign visitors whose countries have entered into a Reciprocal Health Care Agreement with Australia can participate in PBS: United Kingdom, Ireland, New Zealand, Malta, Italy, Sweden, the Netherlands, Finland, Norway, Belgium and Slovenia. A passport must be produced.

How do drugs get on the list?

The Schedule of Pharmaceutical Benefits has been published monthly since January 2007. The Pharmaceutical Benefits Advisory Committee (PBAC) makes recommendations to the Minister for Health and Ageing regarding a medical condition, in accordance with the Australian Register of Therapeutic Goods. The PBAC recommends the listing when

The use of the medicine has been shown to be effective and safe compared to other treatments, and
The money that is spent on subsidising the PBS represents cost-effective expenditure.

There are also other factors such as cost of hospital stay and alternative medical treatments.

Certain medications listed on the PBS are available only for specific therapeutic indications or to patients meeting specific criteria where the PBAC has deemed that the cost-benefit analysis is favourable only in those indications/patients. These are noted as "restricted benefits" on the Schedule.

What are the costs of the PBS?

The PBS now costs the Commonwealth approximately $6.5 billion a year to operate, despite consumers contributing around $1.3 billion in patient co-payments. According to a report by the Australian Productivity Commission, the PBS is expected to cost 2.6% of Australia's GDP by 2045, up from 0.7% in 2005. Further attempts to restrain the growth in costs of the PBS may be needed, however, attempts to increase consumer prices of drugs have always proved politically unpopular.

Former Treasurer Peter Costello attempted to raise the patient co-payment of PBS medicines by up to 30 per cent in the 2002 Federal Budget, however this measure was blocked in the Senate in which various minor parties held the balance of power. However, in June 2004 the main opposition party, the Australian Labor Party, announced that it would allow the PBS co-payment increases to proceed through the Senate.

Cont.

cont. In July 2007 changes to the *National Health Act 1953* divided the PBS formulary into an F1 category (for patented, single brand medicines) and an F2 category (for generic medicines) with reduced reference pricing between them. The prices are negotiated by the Federal Department of Health with the supplier.

The PBS has faced intense scrutiny as costs have increased. The safety net 20-day rule was devised in 2009: a repeat prescription supplied within 20 days will not count towards the PBS safety net threshold. The biggest cuts on prices of medicines in Australian history occurred from 1 April 2012 under the Gillard Labor government. PBS pricing for low-income consumers remained at $5.80 per script.

Christine Venning

Maureen Goodwin - late member

Maureen came to SA in 1967 from the UK to work in the Law Courts as a highly skilled shorthand typist and as a PSA member was involved in one of the few industrial disputes in the public service at that time. She joined SA Superannuants not long after that. Later she became a Committee member and offered to enable the convenient and efficient mailing out of our newsletter, now *The Superannuant.*

Maureen had always suffered indifferent health, and in 1985 went down with a mystery illness. On recovery, feeling she owed a debt to the medical professionals at the Royal Adelaide Hospital for saving her life, she volunteered with the Hansen Clinic for Cancer Research (now the RAH Research Fund). Her more than 20 years service to the Fund was recognised with her being awarded Life Membership.

The sudden passing of Maureen Goodwin on June 16 came as a shock to members. Her quiet unassuming manner will be missed.

Victor Potticary

CPI Change: The Adelaide Consumer Price Index increase for January-June 2017 was 0.46**%.** This same adjustment will have to be made to Super SA pensions from October 2017.

> Intrigued to calculate for yourself? Email to the Secretary for the formula and source of figures.

Your Association Suggests to Government

Super access for over 65s?

Currently people aged over 65 cannot contribute to superannuation unless they satisfy a 'work test'. This requires a person to have had paid employment for at least 40 hours in any thirty day period during the financial year in which the contributions are made.

The Government has proposed that the work test will not apply to people aged over 65 who downsize their homes. They will, without having to satisfy the work test, be able to contribute up to $300,000 ($600,000 for a couple) in the form of net proceeds from the downsizing of a home. This is part of the Government’s policy on improving housing affordability.

The Association has made a submission to Treasury in which it argues for all fully retired people over 65 to be able to make contributions to superannuation.

The aim is to enable people who are prepared to take some risk with their savings to move them from bank accounts, where interest rates are very low, to superannuation accounts, where there is a good chance of getting a much better return. We have put it to the Government that allowing this carries little, if any, risk to the Government of reduced tax revenue or increased Centrelink outlays.

The submission is posted on the Association’s website.

Ray Hickman

Keep a Senior eye on ...

Every month, at the chemist shop and elsewhere that seniors gather, out comes The Senior paper with SA as well as national material (and travel ads). The August edition had a useful local follow-up on the Aveo villages controversy. An inner section called 'Live My Life' carried ads from no less than three services of home meals delivery. Locally oriented to seniors, The Senior is worth a look each month.

David Donaldson

How long for our Association?

Annual members make up only 387 of our total membership of 1400, with annual membership fee of $15 generating about $5800 income; roughly 100 partner members contribute another $500 annually. Income from our term deposits and shares varies from year to year but was less than $4,000 in 2016. Say $10,000 all up.

The cost of producing our newsletter is close to $10,000 and total expenses are approaching $20,000. Our total assets are around $120,000, being mainly the pre-payments of life memberships. These figures clearly show we will only be able to meet our expenses by drawing on our investments.

We are not facing an immediate financial crisis, but we are going to face difficult decisions in the mid-term future. Furthermore, we constantly have trouble filling positions on the Committee. These two factors, finance and people, make me think that our Association will cease to exist in 5 to 10 years. What future do you see for us?

Michael Evans

The Financial Statement for year 2016 is held on the website under 'Home'. It gives the audited figures for each of the past three years. The above comments were made at AGM in February 2017.

State Election Conversations

COTA SA meetings - Superannuants welcome

20 September 1-3pm Active Elders Clubrooms, 27A Albert Street, **Ascot Park** for Marion district;
28 September 10am-12pm Burra Council Chambers, 2 Market Square, **Burra**;
1.30-3.30pm RSL, 23 Bruce Street, **Eudunda**;
12 October 1-2.30pm Community Library, Dumas Street, **Mount Barker**;
24 October 1.30-3.30pm Community Hub, **Goolwa**;
25 October 1-3pm **Port Augusta** (venue TBA via COTA SA website or phone 8232 0422);
27 October 10am-12 Snr Citizens Club, 42 James Street, **Mt Gambier**;
1 November 10am-12 Club Fleurieu, 140 Main South Road, **Yankalilla**;
6 November 12-2pm COTA SA, 16 Hutt Street, **Adelaide** (directly following COTA SA AGM);
16 November 2-4pm Community Hall, Aveo Leabrook Lodge, 205 St Bernards Road, **Rostrevor**;
12 December 10.30am-12 John Harvey Gallery, 12 James Street, **Salisbury**.

> *Member reports to The Secretary will be appreciated.*

Joining & Renewing

Fees And How to Pay

Current Fees:

Annual Member: $15, partner = $5.
Life Member: age under 60 = $270,
60-65 = $220, 66-70 = $160, over 70 = $130.
Partner Life Member = $50.

Receipts *will be sent for Life Memberships. Please include a stamped self-addressed envelope for others.*

a) Paying by cheque or money order

Please send your postal payment to:

Membership Officer
S.A. Superannuants
P.O. Box 348
Modbury North SA 5092

Email: pmjahn@bigpond.com

b) Bank transfers & personal deposits

Please make sure that the payment is accompanied by your name and suburb, ***and*** *please notify the membership officer of its date and sufficient details to identify you as the payer:*

Bank SA: BSB 105-900
Account number: 950313840
Account name: SA Superannuants

c) New members

When paying by one of these methods, please send a membership application form to the Membership Officer so that your necessary details can be recorded.

On the next page a form is provided for new members to join, and existing members to renew their annual membership, convert it to a life membership or notify a change of address.

From the Newsletter, #14, August 2005 **-** The September topic was Pharmaceuticals(!). A former teacher, Christine Venning, had become Assistant Secretary. The CPI adjustment was 1.20%. The UPP was explained. Comparison of growth was shown between Federal MPs' pensions, the Age pension and Super SA pension -- can you guess who came out on top? *-DD*

Member Details & Payments

Existing Members

Our records show your details as:

Please indicate errors or changes:

....

....

New Members Title .... Gender ....

First Name Last name

_____________________ ______________________

Postal Address ________ ______________________

______________________________ ____ ________

Year of Birth ....

Home phone ....

Mobile phone ....

New *and* Renewing Members

Payment Amount $.....................

Purpose of payment (tick relevant box)

- ☐ Renew annual membership ($15 p.a.)
- ☐ Life membership (see scale page 7)
- ☐ Change Annual to Life (see page 7)
- ☐ Partner annual membership ($5 p.a.)
- ☐ Partner life membership ($50)

Email address currently please

...................................@....................................

Signature.................................. Date...................

Speakers at Monthly Meetings

Commencing at 1.00 pm on a Monday at Pilgrim Centre, rear of 12 Flinders St, Adelaide.

September 2017- February 2018

September 25: Jan Forrest, Former Research Officer in South Australian Museum**:** *The state of butterflies in your garden.*
October 30: Jo Townsend, CEO Funds SA: *How funds SA operates and challenges it faces.*
November 27: Rhonda Sharp, University of South Australia: *The evolution of superannuation policy and what it has meant for women's retire-ment***.** **Break-up** catering by Eat Street to 3pm.
February 26: John Montague, General Manager of Super SA (after Annual General Meeting).
March 26:

Current details about speakers, including any changes, are given on the website under Meetings > Next Meeting.

The Superannuant Issue 50

Set your Diary date for
Superannuants' AGM
26 February 2018