Issue 57 February 2020

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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From the President

This last year has been extremely busy for our Association and 2020 will likely be the same. A few years ago our membership was levelling out and set for a slow but marked decline. It was increasingly difficult to fill committee positions. 2019 saw a reversal of that situation. We broadened the membership criteria in our constitution and to date some 220 former SCOA (Superannuated Commonwealth Officers Association) members joined us. With Super SA assistance we have recruited 20 recent SA public service retirees. We have obtained four new committee members, three from the former SCOA. Regrettably we lost our Secretary, Christine Venning, to ill health. We asked the PSA, AEU and Nurses Federation for their assistance in promoting our Association to their members and their response was very positive. Finally, we had end of year discussions with SCOAWA and agreed that as we have many issues in common we should work more closely together. We have begun with exchanges of information.

The influx of former Commonwealth public servants means that we need to ensure that we include their main concerns in our actions. This will not be difficult because we have many interests in common. We have two instruments essential to our future - our excellent newsletter and our website. We engaged consultants to work with our Website Manager, Peter Frick, in upgrading our website. That task will be completed early in 2020.

2020 will be the year when I hope that we can consolidate the work we did in 2019. Perhaps we can turn our attention to more active engagement with the Commonwealth and State Governments and focus on badly needed reforms of government services to retirees, including our superannuation.

Peter Fleming

In 2020 our Meetings will be held in the Flinders Street Baptist Church hall, 65 Flinders Street, Adelaide.

<u>Wanted</u>:
ladies for committee
not too late to nominate

<u>We have changes:</u>
new meeting location

new fee structure

new column back page

after AGM
new committee

Issue 57 Contents

Speaker Program February-June, 2020

General Meetings
Meetings commence at 1.00 pm.
(Subject to change without notice)

February 24: Matt Kelly, Goldsborough Investment Group. "*Aged Care - Reforms and Reviews: Home Care Packages, especially Levels 3 and 4, transitioning to Retirement Villages*".

March 30: Vince Monterola OAM, former Chief Fire Officer, SA Country Fire Service."*Bushfires: how prepared is SA?"*

April 27: Greg Pattinson, CEO Foodbank SA. "*Feeding the needy*".

May 18: Belinda Maloney, RAA Driver Education Officer. "*RAA's Years Ahead Program - Road Rule Tips for Elderly Motorists*".

June 29: Mac Benoy, a member of SA Superannuants. "*Sir Charles Todd. Former Post Master General; driving force behind the trans-continental telegraph link, Adelaide to Darwin*".

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

Current CPI Change for 2020

"The CPI change that will be made to Super SA pensions in April is **1.50**%."

Change of Meeting Venue

A few months ago, Pilgrim Church informed us that henceforth they would be charging us $55 for setting out and putting away the chairs for our meetings, at the same time, they increased the charges for hiring the hall; this increased our cost from $124.50 to $192.25 per month. We have negotiated with the Flinders Street Baptist Church at 65 Flinders St, which is only about 100 meters east of the Pilgrim Church and seems suitable for our meetings (we have met there previously when Pilgrim was not available). We have decided to hold our meetings there in 2020. At the charges they have given us it will cost us $108 per month.

SA Superannuants Committee for 2020 NOMINATIONS

President: Peter Fleming
Vice President: James Vandenberg
Secretary: Brenton Pain
Treasurer Mike Evans
Membership Officer: Max Jahn
Media and Public Relations Officer: James Vandenberg
Guest Speaker Coordinator: Ian Beckingham
Newsletter Coordinator: Max Jahn
Research Officer: Ray Hickman
Committee Members
- Arnulf Anders
- Alan Raftery (also QANTAS Club convenor)
- Barry Grear

Observer: Eileen Pritchard
Website Manager: Peter Frick

Join the Qantas Club

Use the SA Superannuants Qantas Club Scheme. As a member of SA Superannuants, you can join or renew your Club membership through SA Superannuants at a discount. In addition to saving on the joining and annual membership fees, as a Qantas Club member, you will have access to many special benefits.

For more information see:
http://www.sasuperannuants.org.au/qantas-club-special-offer/or contact the Coordinator, Alan Raftery,
at qantasclub73@gmail.com
or phone 0408 850 535

SA/SCOAWA Superannuants Working Group

Left to right; Ray Hickman, Michael Evans, Ron de Gruchy (President SCOAWA), Peter Fleming, James Vandenberg, Mick Cain (Secretary SCOAWA).

As the President mentioned in his report three members of your Committee met in Adelaide on 9 December 2019 with the President and Secretary of SCOAWA (Superannuated Commonwealth Officers Association) Ron de Gruchy OAM and Mick Cain. We agreed that we had much in common and that there would be merit in us exchanging information and, where appropriate, collaborating on submissions to the Commonwealth Government. We have already commenced the exchange of information and comments on our respective pre-budget submissions to the Commonwealth. We agreed also to look at the feasibility of further meetings, perhaps initially utilising conference telecommunications.

Super SA Schemes Data

Members may be interested to know that Super SA plans to produce member figures again to members of the Superannuation Federation later this year.

In the meantime the numbers up until the end of June 2019 are as follows:

Triple S: 180,912
Lump Sum: 3,172
Pension Scheme (not yet retired): 559
Superannuants (retired): 14,740

Members should look at these numbers in conjunction with the articles in this, and in the previous edition, "From the President" and "Boundaries and Priorities". *Peter Fleming*

There is nothing more inspiring than the wonder and beauty of the human heart.

Committee Gender Imbalance

You've now all seen the photo of our committee in the October 2019 newsletter. There are a further two new committee members since October, but still only men. How do you like our new-look committee? Those of us who have been serving on it for some time are delighted that suddenly we now have a good number of very capable people to spread the load of duties wider. BUT

Does nothing strike you as odd?

Do you not notice that we have only one female member to speak for all the women of our association? One committee member has the full load of ensuring women's rights are assured on our extensive committee! Let's look at our gender statistics.

1600 full members, 380 females, 1220 males, balance of roughly 1 to 4

149 partner members, 133 females, 16 males: an imbalance of 10 to 1

Now take another look at our committee:

1 female to 10 males

It is unfair to leave all our decision making to males. We do not want the sole responsibility, nor can we always make the best decisions.

WE ARE SEEKING MORE LADIES ON OUR COMMITTEE.

"It is not too late to nominate".

You still have time to elect **member or partner member ladies** at the February Annual Meeting.

Do not be concerned that you don't know much about the Super system, or political "ins and outs". Neither do I, but there are many jobs on the committee for which we need to train up capable people. To have a number of women's points of view would take the pressure off our one female member, Eileen Prichard.

I would be delighted to have the opportunity to train up a lady member in any of my tasks to do with membership records or newsletter editing, with the idea of handing over gently in the near future, instead of someone having the job dumped on them at short notice.

I guess we will not achieve gender equality, but, for the sake of our image in society, let's at least try to improve on what we have at the moment.

What about it
member or partner member ladies?

My phone number is 8522 6885, and President Peter's is 8295 1832. *Max Jahn*

Taxed Source Income Possibility

South Australia's defined benefit pensions stand out from all other comparable superannuation pensions by being paid from a scheme that handles both the member-funded income and employer-funded income in the untaxed-source environment. This means that the schemes do not pay tax on contributions and earnings. The Commonwealth's CSS pension is paid through a scheme that handles member contributions as taxed-source money and only the employer-funded component as untaxed-source money. Issues of *The Superannuant* going back to about 2002 have included articles dealing with this unusual feature of South Australian pensions.

As reported in Issue 55 (May 2019) of *The Superannuant* the Association has been talking to the State Treasurer, Hon Rob Lucas MLC, about the possibility of giving members of the State Pension Scheme an option to receive a component of the pension as taxed-source income. The Association's calculations indicated that for pensions above about $40,000 p.a. member-funded assets could be capable of funding 20% of the pension value as taxed-source income with the cost to the scheme of doing this being in the range of 2-3% of the value of the pensions involved. Members opting for such a change would have to accept a reduction of this amount in their pensions and the reduction would keep government costs the same.

We asked Mr Lucas to have the feasibility of our proposal assessed by an actuary. He was not prepared to do this giving as a reason the possibility of members opting for the change when it was not in their best interests to do so and blaming the government later. He also suggested that there might be federal laws/regulations that would prevent implementation of our proposal.

Since beginning these discussions with Mr Lucas the Association has:

1. established that about half of the scheme's current 14,500 pension recipients are getting pensions above $40,000 p.a.
2. had a tax accountant confirm our calculations of the tax advantage that our proposal would provide to members if it could be implemented.
3. made an inquiry of the relevant Federal Minister about federal laws/regulations that might prevent our proposal being implemented. The Minister referred our inquiry to the Complex Technical Unit of the Australian Tax Office. The ATO has confirmed that, in the event of the South Australian scheme changing its taxation status, pensions already commenced on that day would not be eligible for payment as taxed-source pensions. This has been the case since 2007 and today there are less than 500 members of the pension scheme still to commence their pensions.

This has brought the Association to the point of accepting that its proposal for member-funded assets of the state pension scheme to be used in a more tax-effective way is not a goer. However, there is no regret over the effort that has been expended investigating this matter. Our interest in the matter goes back to 2002 which was the year when the Electricity Industry Superannuation Scheme (EISS) changed from an untaxed-source scheme to a taxed-source scheme. This change was made by reducing pensions in accord with a formula that was designed to pass the tax advantage of the change to employers. The formula reduced most pensions by more than the maximum superannuation tax rate of 15% when the tax payable on fund assets was much less than this. Put another way the pensions were reduced by more than the tax cost of the change.

In the writer's opinion the main reason the same thing did not happen between 2002 and 2007 to the State Pension Scheme is that early in this period the Association had established its credentials as the only organisation having a clear understanding of the relationship between the tax cost to a scheme of changing its taxation status and the reduction in pensions that would be sufficient to meet that cost. *Ray Hickman*

2020-21 Pre-budget Submission

The Association has made a pre-budget submission ahead of the 2020-2021 Federal Budget. This has put the following proposals to the Federal Government.

1. People aged 65 and above be permitted to make non-concessional contributions to superannuation without having to satisfy the work test.
2. Age pension income to be tax-free for all recipients.
3. In the determination of a person's transfer balance cap the single valuation factor of 16 currently being applied to defined benefit pensions, without regard to the pension

recipient's age, be changed to an actuarially determined, age-related factor.

4. The indexation of commonwealth superannuation pensions (CSS and PSS), which is currently Consumer Price Index (CPI) only, become the better of the CPI and the Pensioner and Beneficiary Living Cost Index (PBLCI).

5. Where after-tax, personal contributions by themselves are sufficient to create a tax-free component for a defined benefit pension greater than 10% of the pension's gross value the 10% cap on the component of the pension not counted in the age pension income test should not apply.

The rationale for each of these proposals is set out in the full pre-budget submission which is posted on the Association's website.

This is the first submission the Association has made to the Federal Government since membership was opened up to members of Commonwealth superannuation schemes. There has always been much common ground between the retirement interests of people receiving the South Australian pension and those receiving Commonwealth pensions due to the fact that they are all untaxed-source pensions. This common ground between South Australian and Commonwealth pensions means all five of the proposals listed above have the same relevance for all the Association's members. The proposal four just refers to Commonwealth pensions but this is only because we know the South Australian government will not consider changing indexation arrangements for South Australian pensions while the Commonwealth continues to use CPI-only indexation for its civilian pensions.

This year's pre-budget submission also challenges two long-standing assertions commonly made about untaxed-source pensions.

These assertions are:

a) prior to pension commencement no tax is paid on contributions and earnings that back the pensions; and

b) the pensions are generous compared to community standards.

After years (decades) of having representations for more equitable treatment of untaxed-source pensions, compared to taxed-source pensions, dismissed on the basis of these assertions (always made without any serious attempt at substantiation) the Association is adopting the tactic of presenting facts and calculations that expose the assertions as myths.

We are saying assertion a) is a myth because South Australian and Commonwealth pension schemes have required members to make personal contributions from after-tax income at marginal tax rates of at least 32.5% plus the Medicare levy. This is a tax on contributions more than twice as great as most people make on SG contributions and personal salary sacrifice contributions.

Assertion b) is a myth because, in retirement, our pensions continue to be taxable income that is assessed for the Medicare levy and which commonly have more than 95% of the gross pension value counted as income in the age pension income test. When taxation treatment, and all three pillars of Australia's retirement income system (compulsory superannuation voluntary savings and age pension) are taken into account South Australian and Commonwealth pension recipients are no better off than anyone else who makes the same commitment today in saving for retirement. *Ray Hickman*

Increase in Membership Fees

Our membership fees have remained unchanged, since 2011 and since then our expenses have increased considerably. Therefore, the Committee has decided to propose a new scale of fees starting in 2020.

Full members

Annual membership	$20	*(presently $15)*
Life membership,		
under 60 years old	$360	*(presently $270)*
60 to 65 years old	$290	*(presently $220)*
66 to 70 years old	$210	*(presently $160)*
over 70 years old	$170	*(presently $130)*

Partners *(no change)*

Annual membership	$5
Life membership	$50

The President spoke of these new fees at the August general meeting and the members present thought the increases reasonable. No one spoke against the increases. The issue will be raised again at the AGM in February 2020, and the present article notifies members of the changes.

Have you ever noticed the people who are late are often much jollier than the people who have been waiting for them?

Letters to the Editor

Hi Max,
I agree with you about being called 'luv', but my other bugbear is 'dear'. It is SO patronizing.

Leonie O'Donnell

*I have had feedback pointing out that "Luv" **is used** as a form of endearment in the UK. Max*

Dear Membership Officer,
When I came to Canberra in my middle eighties, I didn't think I would last more than 2 or 3 years, so I didn't opt for life membership. Now, 11 years later, and going downhill fairly quickly, I have decided to take the plunge and stop having to keep coping with this renewal business. I am still doubting that I will last more than a year or two, but feel that this might be a good way to thank you all (many of you volunteers) for your much appreciated help over so many years.
Wishing all SA Superannuants all the best.
Yours sincerely, *Betsy Boundy*.

Membership Officer Report

Our association has received a boost, not only in numbers, but also in energy, with the acquisition of well over 200 SCOA members after their own association closed. Additionally about 20 new members joined as a result of the pamphlet insertion we made with their notification of pension figures from Super SA.
Thanks and welcome.
However! Once again Annual Membership renewal time has come and gone.

Thank you to those who have continued your membership to the end of 2020, or beyond. You will continue to receive our popular and informative Newsletter, be welcome to our meetings and be given advice freely by our knowledgeable leaders on pension matters that may plague you.

For the rest of you this will be your last newsletter, unless I receive your renewal within the next two months. To ensure you do not miss out, get your $15 in now, before it goes up to $20. It may even be a good idea to get ahead with a thirty dollar payment for two more years. I'm sure your doctors would describe the positive thinking required by being hopeful for another two years, as a healthy exercise.

GET YOUR RENEWAL IN NOW,
before you forget. *Max Jahn*

Health Insurance Premium deductions from Super SA Pensions

Recently Super SA wrote to members who had their health insurance premiums deducted from their after-tax pension advising them this service is no longer available.

The last health insurance premium deductions from pension payments were made on:

- 24 January 2020 for ETSA superannuants
- 31 January 2020 for Governor, Judge or Parliamentary superannuants, and
- 30 January 2020 for all other superannuants.

If you are impacted by this and have not yet made contact with your health fund you need to do so urgently to ensure that your health cover continues.

Paperless Newsletters & Email Addresses

At last count we have 1596 members but only 652 have given us their e-mail address. Of those only 262 are getting their newsletter by e-mail.

Last year the newsletter cost us $7389 for printing and postage which as you know is increasing again.

The new web site which will be on line soon is to have a Member's Access section which, over future years, will be put to more and more usage, including the ability to read the newsletter on line, as well as take part in member surveys from time to time.

As matters stand now, no immediate change is planned for the dissemination of the newsletter. While we will always offer the postal mail out to those members who prefer that method, we can improve our efficiency a lot, and, at the same time, save quite a bit of money if more members opt for the e-mail service rather than the posted version.

If you feel comfortable with this, can you please consider providing our Membership Officer with your e-mail address and asking for on line access to the newsletter when next you renew. If you prefer to continue receiving the newsletter by post, but you are willing to take part in committee authorised surveys, then please provide us with your email address, but specify that it is only for member surveys and urgent advice to members.
Web site Manager *Peter Frick*

“Take a seat, please Sir/Madam”

How often do we get told to take a seat, especially in waiting rooms? Have you ever been tempted to pick up the seat and walk out of the room with it?
The Australian Oxford Dictionary describes that form of speech as a, “form of expression peculiar to a language”. It is a figure of speech.
A recent immigrant would probably have enough sense not to do so literally, but would keep standing until the perpetrator visually points to a chair and gesticulates for the person to sit in it.
Would you be described as an idiot if you did grab a seat and tick off with it? Probably. Never-the-less some of us would like to, just for devilment. Say you did grab a chair, headed for the door, but got stopped.
After you left the waiting room, wouldn’t it be a great talking point for the staff to break the boredom of the day. “He actually picked up that chair, yair, that one, and was going towards the door. It was only the quick thinking of Jane calling out, ‘Aye, you can’t do that!’”
Now there is still another opportunity.
“Yes I can. Look! I’m quite capable of lifting up a chair. I can carry it too,” as you go to walk out of the waiting room.
Just think what you’ve done. You have supplied a story that will go right through the staff for days. The boss will tell the tale at his business meetings, thus supplying some probably well needed light hearted humour in an otherwise serious day. Those board members will tell the embellished story to their families.
If you get outside and start walking off with it (only a little way down the street, say a couple of stores), staff will come out after you and try to stop you (hopefully gently). Now pedestrians will witness the incident, maybe even help to stop you, and so join in the experience, which will supply excitement for the whole street to enjoy. The story will be told in innumerable homes and social gatherings throughout the district.
You give the chair up willingly, of course. We wouldn’t want the police force involved, unless we were stupid (as you can hear the Receptionist saying under her breath). Or wouldn’t we? The people in the street will tell the tale wide and far. The tale would spread through the police force like wild fire. It might even rank a mention in the “oddities” column in their monthly newsletter.

Max Jahn

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 = $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 to a life membership, notify a change of address and supply email address.*

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)

Newsletter by **post** ☐ **email** ☐

Email address

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

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

Preparation for Superannuant Death

A useful check list of things to be done

Before Superannuant's death,
Superannuant can supply relevant Super office with original or certified copies of:
- Birth Certificate,
- Marriage Certificate,
- Citizenship documents (if applicable).

After Superannuant's death,
Partner needs to supply relevant Super office with original or certified copies of:
- Death Certificate,
- Partner's most recent bank statement,
- Tax file number,
- Driver's Licence.

Request a transfer of relevant pension.

If no prior approach has been made to the Super Office, all of the above documentation will have to be submitted after the Superannuant's death.

South Australian Superannuants
Contact Super SA Office by phoning:
1300 369 315, or 08 8207 2094.
You may choose to visit 151 Pirie St, Adelaide (enter from Pulteney St.).

Commonwealth Superannuants
Contact relevant office:
- CS Super, ph: 1300000277
- PS Super, ph: 1300000377
- PS Super(ap), ph: 1300725171
- PNG/1922 Act, ph: 1300000177

Disclaimer: *Readers should not act, or refrain from acting, solely on the basis of information in this newsletter, but should consult the relevant authorities and advisers.*

due dates for articles for inclusion in the Newsletter

21st January distributed by 10th February
21st April distributed in May
21st August distributed in September

data format

Items for inclusion in the newsletter need to be in "Word Document".
If they are in "text box", or "PDF", they may not be published.