Issue 62 September 2021

THE SUPERANNUANT

Newsletter of The Association of Public Sector Superannuants Inc.
Formerly SA Superannuants Established 1927 https://www.sasuperannuants.org.au

Membership Applications/Renewals (e-mail preferred during COVID-19)

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General Correspondence (e-mail preferred during COVID-19)

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From the President

COVID RESTRICTIONS: As we were suddenly reminded with the latest lockdown and restrictions, the Covid virus is still a threat to our health and wellbeing. The cancellation of our general meeting in July is just a small inconvenience that we had to work around. Hopefully the restrictions will ease soon and we can get back to the new normal. Meanwhile, if you haven't had your jab and you are able to get it, please get it done.

OUR NEW NAME: This is the first edition of The Superannuant issued under our new legal name, granted and registered in August. We were asked to make some related amendments to our constitution, and will put these to a vote at a special general meeting on 27 September.

A CURRENT ISSUE: We are preparing a submission to the South Australian Government to again argue our case that upon the death of member, the payment to the surviving spouse/partner continues at 100% for the first seven paydays before reverting to the reversionary rate as is the case for Commonwealth superannuants.

MEMBERSHIP: A big welcome to all of the ex-SCOA people from interstate who have lodged membership applications in recent weeks including almost 60 people from Victoria who have joined up so far. We are looking at setting up a Sub-Committee in Melbourne to organise local meetings.

FIGHTING FUND: Thank you to everyone who have donated over $5500 to our fighting fund so far. If you are able to make a donation, please do. Unfortunately, it is not tax deductible but be assured every dollar helps.

SUPERANNUATION ADVISORY GROUP: There has been a lot of interest from a range of people who want to participate in our advisory group, and we are looking forward to their collective input as we progress our Key Directions issues.

LUNCH DATE: I have booked the function room at **The Metropolitan Hotel**, 46 Grote Street Adelaide, for a member lunch (buy your own meal and drinks) at 12noon on **Wednesday 17 November 2021**. This is an opportunity to get to know one another a bit more and simply enjoy the company. The Metro menu is varied with prices around the $20 mark. If you would like to join us, please RSVP to me at vandyjg@bigpond.com before 1 November. Seating capacity is 40 persons, so get in early. Take care

James Vandenberg

In This Issue of *The Superannuant*

Forthcoming Meetings

Meetings are held at Mead Hall, Flinders Street Baptist Church, 65 Flinders Street Adelaide.
Please book for each meeting you are attending, by phone or text to 0401148751, or email brenton.pain@outlook.com.

27 September, **12:30** pm: **Special General Meeting** to consider proposed changes to the rules of the Association. Please see page7 for further information. The general meeting follows immediately at **1:00** pm with two guest speakers. Chief Executive **Dascia Bennett** will outline **Super SA**'s current work and new initiatives, and **Funds SA** Chief Executive Officer **Jo Townsend** will discuss her organisation's priorities, and key aspects of financial markets and investment returns.

October 25, **1:00** pm: In "A Diplomatic Life", Association member **Bob Carmichael** will draw on his experience in four countries as an Australian diplomat and Trade Commissioner.

November 29, **1:00** pm: Former MLC **Mark Parnell** will present "A View from the Cross-bench", sharing his insights into how things really work in Parliament.

Membership Officer's Report

We presently have 1586 full members, and 156 partner members.
This year has been an exceptional year. We have all been affected in many ways. The saddest news for the association is the loss of members to the COVID-19 Virus. We know definitely of one such person, but there may very well be others.
On the plus side, 261 ex-SCOA have joined us, a few as life members, and many as annual members.
I do remind annual members to look at the back of their newsletter where annual membership expiry dates are shown. If you have a date, "expires 31/12/2021", please get your renewal fees in now, as they are **due before the end of this year.**

Max Jahn

Committee Positions for 2022

Nominations are called for the Officer and Committee positions on the Association's Executive Committee
President
Vice-President
Secretary
Treasurer
Membership Officer
Assistant Secretary
Guest Speaker Coordinator
Committee member (6 positions)
Information about these roles is provided in the Committee Manual at the **About page** of the Association website. Send your nomination by post or email to the Secretary by January 21, 2022.
If you might be interested in joining the Committee but would like more information, please contact the President or the Secretary.

Treasurer's Thank you

I wish to say a heartfelt Thank You to all of you members who responded to my article in the last newsletter seeking donations. Many people have donated more than the $10 I suggested; we have received one donation of $200 and six donations of $100. Donations of this size are very generous, and far greater than we could possibly have hoped for; I think they are indicative of the high regard members have for the Association, and the Committee and I find this very gratifying. At the time of writing $5,662 has been donated by 186 members. To those who intended to donate but have not gotten around to it, please consider donating any amount you can afford. It all helps.

Michael Evans

Tasmanian Super Changes 2017-2021

Prior to 2017, Public sector superannuation in Tasmania was administered by the *Retirement Benefits Fund* (RBF). The two main schemes for which this entity was responsible were the *Tasmanian Accumulation Scheme* (TAS), which corresponds to South Australia's *Southern State Superannuation* (SSS or Triple S) scheme and another scheme called the *RBF* Contributory Scheme which corresponds to the *South Australian State Pension Scheme*.

The RBF Board consisted of 7 members. This Board had three member representatives - one elected by members of the RBF Contributory Scheme, another elected by members of TAS and the last was the nominee of Unions Tasmania. The Tasmanian government appointed another 3 members. The seventh member of the RBF Board was its President who was the nominee of the Government with agreement of *Unions Tasmania*. Decisions of the Board required a two-thirds majority of the votes of the Board members present, excluding the President, to be cast in favour. This ensured that member representatives on the Board had the same voting power as those appointed by the Tasmanian government. South Australia's Super SA Board has five members with three appointed by the Government and two elected by members. Decisions require a simple majority of three in favour.

Since 2016 the Tasmanian arrangements have changed dramatically. There is no longer a *Tasmanian Accumulation Scheme*. This scheme merged with the industry fund *Tasplan* on 1 April 2017. TAS member benefits were transferred to *Tasplan* and it became the default fund for people commencing Tasmanian government service after that date. This means that their superannuation guarantee (S.G.) contributions were paid to *Tasplan* unless they had exercised their right to nominate another fund.

On 1 April 2021 Tasplan merged with another industry fund, the *Motor Trades Association of Australia Superannuation Fund* (MTAA Super) to form *Spirit Super*.

Following the move of the Tasmanian Accumulation Scheme to the industry fund sector, on 1 April 2017, the seven-member RBF Board was replaced by a three-person commission which was given responsibility for the RBF Contributory Scheme. Very recently, the three-person commission became a one-person commission with the commissioner being appointed by the Government. Members of the RBF Contributory Scheme have gone from being able to elect one member of a 7-person board to having their pension scheme run by a single, government-appointed commissioner.

In the last two issues of its newsletter 'Super-News' TASS has informed its members of the Tasmanian Government's intention to use $200 million dollars of the RBF Contributory Scheme funds for 'Covid recovery' purposes. This money is part of the personal contributions of RBF Contributory Scheme members. TASS has expressed concerns about this to the Government and sought assurances that:

- interest on the money used for COVID recovery will be at least equal to the return obtained on the balance of member money that remains in the fund, and
- there will be no increase in the unfunded liability for pensions, and
- additional expenses incurred in using members' money for COVID recovery will be met by the government

TASS has also asked the obvious question – why, when bank interest rates are the lowest in living memory, is the Tasmanian government borrowing from a superannuation fund where earning rates are much higher?

As reported in the May 2021 issue of *The Superannuant* members of the Triple S have recently been granted choice of fund. This is 10 or more years after choice of fund had been granted to members of virtually all other Australian accumulation schemes. The writer predicts that the granting of choice of fund to Triple S members will, no matter who wins next year's state election, turn out to be the first step in a move to quite different governance arrangements for members of South Australia's Triple S, Pension and Lump Sum schemes. This is not to suggest that any member of these schemes will be financially disadvantaged by the changes. But if significant changes occur the Association will need to look carefully at them. *Ray Hickman*

Retirement Income Review

As part of its reform agenda for the retirement incomes system, the Federal Government is in the process of passing the following legislation in support of its Retirement Income Framework:

• *Comprehensive Income Products for Retirement (CIPR)* through the Retirement Income Covenant which includes eight principles:

o Superannuation fund trustees should assist members to meet their retirement income objectives throughout retirement by developing a retirement income strategy for members.

o Superannuation Fund Trustees should assist members to meet their retirement income objectives by providing guidance to help

members understand and make choices about the retirement income products offered by the fund.
o A definition of a Comprehensive Income Product for Retirement (CIPR).
o All superannuation fund trustees should offer a flagship CIPR to members at retirement, subject to limited exceptions.
o Superannuation fund trustees can fulfil their obligation in part or in full by using a third party.
o Consent should be required for a CIPR to commence.
o Superannuation fund trustees may offer an alternative CIPR or another retirement income product to a particular person or cohort of people through any form of personal financial advice, including scaled personal advice, intra-fund advice, or full financial planning.
o Superannuation fund trustees may choose not to offer a CIPR at all to a particular person if the trustee has reliable information that a CIPR would not suit that person.
o The Retirement Income Covenant was due to come into effect by 1 July 2022 but due to actuarial, industry and consumer pressure for further refinements to the legislation, the Federal Government has announced that although it is unlikely to meet the target date it will still be proceeding with the legislation.

- *Super Reforms - Your Future, Your Super (YFYS)* legislation, which is part of the Government's super reform package, comprises the following four key elements:
  - A new public YourSuper comparison tool run by the ATO for individuals to be able to compare key data on *My Super* products.
  - From 1 November 2021, where employees do not choose a super fund, most employers will have to check with the ATO if their employee has an existing super account, known as a 'stapled super fund', to pay the employee's super guarantee into.
  - A change in the duties of trustees of superannuation funds to act in the best financial interest of their members. The *Best Financial Interest Duty* will ensure that <u>all</u> super fund expenditure is made in the interests of members
  - A new super fund underperformance assessment (annual performance tests) to be conducted by APRA and published on the ATO website. It will measure super funds against an industry benchmark for financial returns to members. Funds that fail to meet the benchmarks for two consecutive years will be barred from taking on new members in a move designed to protect Australians for handing money to 'dud' funds.

The measures commence on the 1 July 2021, except for the single default account or 'stapled super fund' measure which commences on the 1 November 2021.

While the Federal Government retirement income reforms may or may not impact Super SA Pension scheme and Income Stream members due to the fact that they are not APRA regulated entities they could impact CSS/PSS members by virtue of the Australian Governments retirement income policies.
The Association's role is therefore to continuously monitor State and Federal Government activity in the retirement income and superannuation space and to actively respond to potential adverse impacts on members and ensure that government super funds comply with the Best Financial Interests Duty that their annual performance meets the benchmarks set by APRA.

Lindsay Oxlad

Website news

Members are urged to visit the web site regularly as there is always something new being added. **The Speakers corner** has the last 6 presentations to the General Meeting available for viewing. With things as they are you may not feel inclined to actually attend a meeting so here is an opportunity to see what you may have missed.
The Members Portal is also constantly being updated and if you are interested in what the Committee are getting up to, the minutes of all the executive meetings are here for you to see.
In these days of minimal face to face contact it is very important that we can contact you by e-mail. We have been doing this quite a lot recently to advise of upcoming meetings and more. Without e-mail, communication would be down to only the three Superannuant mail outs each year. It is extremely important to advise us if you change your ISP and e-mail address. Of our most recent mail out some 20 of you would have missed out as our message to you bounced back. If you have yet to provide us with an e-mail address, we would love to have it.

When all the bureaucratic requirements have been cleared up we will have a new web site address but be reassured the old address will still work and will redirect you to the new address.

Peter Frick

Update from Super SA

At Super SA, our members are at the heart of everything we do – and as superannuants, that's you.

Thank you for the opportunity to be part of this newsletter to provide you with an update on the recent developments in Super SA's member services, and how these may benefit you as a retiree or in retirement.

With our 118-year history, Super SA has a proud past and a unique mission for the future to help our members live their best lives in retirement. We're members serving members and we champion the financial well-being of South Australians.

Challenges of a Pandemic

It has been more than a year since we first felt the effects of COVID-19 and we continue to grapple with the many challenges this once-in-a-century pandemic presents.

We continue to navigate through these challenges and the safety of you and our staff while maintaining the services we offer remains our priority. You can book an in-person or phone appointment with one of our staff or a financial planner by calling our Member Services team on 1300 369 315. If you think you need to come in to see us, please call ahead to book an appointment or email supersa@sa.gov.au.

We ask that you please wear a mask when attending an appointment or any of our in-person education seminars. Should you need one when you arrive masks are available and COVID-safe practices apply.

We're also pleased to offer a large range of digital and online education offerings which you can access from the comfort of your home. Visit supersa.gov.au for more details.

Our Member Services

Over the past year we have conducted considerable member research and focus groups to better understand member needs and expectations now and into the future. A clear theme communicated by our members is that you want us to build on the trust you have in the Fund. This supports our vision of being the most respected superannuation fund. We are committed to modernising our service offering so we continue to keep your trust.

As a result, we have delivered the following service initiatives to assist our members, which include:

- Expanded our contact centre capability through technological advancements to support efficient service delivery
- Strengthened our capability to protect member data by investing in improved cyber security
- Introduced a new online education program with webinars that help educate our members on a range of topics designed to assist at every stage of the super journey
- Provided new financial advice options through Industry Fund Services* including limited advice, which allows members to receive advice on investment choices at an affordable price (find out more at supersa.sa.gov.au). Please note that limited advice is single issue advice matter that is more limited in scope than a comprehensive matter.

Member Education

We are here for you to help keep you updated with the latest super information. We have a dedicated team who conduct education sessions either as seminars or webinars about all areas of super as well as the super schemes administered by Super SA. Last financial year, we delivered more than 400 education sessions held all across South Australia to more than 10,000 members.

The webinars and seminars are free, and partners are welcome to attend.

There is no limit to the number of education sessions that you can attend –

visit https://www.supersa.sa.gov.au/knowledge_centre/seminars to learn more about our webinars and seminars, and to register. You are welcome to attend whether you are still working or retired – and feel free to share with your friends, family or colleagues who work in the South Australian public sector.

When we are able to hold in-person sessions, we always allow time to chat to our team at the end, which you can do so over a refreshment. Covid-safe practices apply at all our in person seminars, and we've added more webinars over the last few months during the day and evening to give you even more choice.

For your information, the topics include:

- Post Retirement Products – Staying with Super SA in Retirement
- Financial Wellness for Women and Super
- Triple S – Planning your best retirement
- Consolidation
- Early Access to Super – Thinking of transitioning to retirement?
- Flexible Rollover Product
- Income Stream
- Lump Sum Scheme – Steps to your retirement

Fund Performance

As you are aware, your pension as a defined benefit superannuant is not affected by market fluctuations, however we understand that some of you may be invested with our other super products.

We know fund performance is often top of mind for our members. That's why we are pleased to share that our investment options remain extremely competitive.

In 2020-21, financial markets made an outstanding recovery. Our Triple S (untaxed) Balanced default option delivered its highest ever annual return of 21.6% for the financial year period to 30 June 2021.

These results are an incredibly good outcome for our members, especially considering the market volatility experienced at the beginning of 2020. As always, however, it's important to remember that past performance should not be taken as an indicator of future performance.

Equity markets delivered strong returns driven by improving economic activity both in Australia and globally.

It has been an exceptional year however we are highly conscious of the market challenges ahead. In the coming years as we transition into a "new normal" world, there may be further challenges within investment markets. The fall in cash rates and bond yields to near zero levels will impact investing, and earning higher returns is going to be more challenging.

Over the same period the Super SA Income Stream Product Balanced investment option returned 21.30 per cent (net of fees) and the Flexible Rollover Product Balanced investment option returned 19.44 per cent (net of investment fees and tax) for the year to 30 June 2021.

It is important to remember that superannuation is a long-term investment and our investment strategies continue to focus on long-term performance and managing risk. Diversification is the primary tool for managing investment risk. Together with fund manager Funds SA, the multi-asset class investment options will continue to be highly diversified to help shield members in times of market volatility. Going forward, we continue to strive to meet the investment objectives of each investment option. For more information on fund performance, please visit **supersa.sa.gov.au**.

*Disclaimer: Fees may apply. Super SA has engaged Industry Fund Services (IFS) (ABN 54 007 016 195 AFSL No. 232514) to facilitate the provision of limited scope and comprehensive financial advice to members of the superannuation schemes administered by Super SA. Advice is provided by financial planners who are Representatives of IFS. Fees may apply. Further information about the services can be found in the relevant IFS Financial Services Guide, a copy of which is available from your IFS financial planner or by calling Super SA on 1300 162 348. IFS is responsible for any advice given by its Representatives.

Super SA does not recommend, endorse or accept responsibility for products or services or products provided or recommended by third-party organisations, including IFS.

Super SA does not accept liability for any loss or damage caused by the products and services or products provided or recommended by IFS.

Proposed Changes to the Constitution

On 3rd May members resolved to change the Association's name to "The Association of Public Sector Superannuants Incorporated", trading as PS Superannuants. When the SA Attorney General's Department considered the application for the new name it reviewed our constitution and requested some changes. This is a routine process when incorporated associations apply to change their names or their rules.

Two of the changes simply concerned how the Association's name was shown in the document. The other changes requested were to revise the "objects" of the Association to make them clearer; to update the name of a government body; to include a reference to the Associations Incorporation Act 1985, and not to use the word "trustee" unless intended in a legal and technical sense. It was suggested that one sub-clause be moved to a different place in the document.

A revised constitution including these mainly administrative changes was submitted.

The clarification of the Association's objects was made by adding the following further words, underlined, to the existing objects clause:

"The objects of the Association shall be to deal with any matters affecting or likely to affect the welfare of its members <u>and their partners, and in particular to protect and improve the economic</u>

and social security in retirement of participants in public sector defined benefits superannuation schemes."

The proposed changes to the constitution were accepted and the Association's new name was approved and registered by the SA Corporate Affairs Commission on 11th August. The Association's official, legal name is now "The Association of Public Sector Superannuants Incorporated". The separate application to the Federal body ASIC to register the business name PS Superannuants is yet to be approved.

The **proposed motion** to be considered by members at **12:30 pm** on **27 September** is that the changes to the Constitution accepted by the SA Attorney General's Department in August 2021 be adopted by the Association.

Details of the proposed changes will be available at the meeting, and can be seen now at https://www.sasuperannuants.org.au/wp-content/uploads/2021/08/Website-notice-changes-to-constitution-August-2021.pdf

Sustainable Investment Opportunities

Some members have said that they would like to know more about how their superannuation funds approach environmental, social and governance issues - particularly related to climate change - when making and reviewing investments, and choosing how to use their rights and influence as shareholders The Commonwealth Superannuation Corporation has kindly provided an outline of its approach. This can be read at https://www.sasuperannuants.org.au/wp-content/uploads/2021/08/CSC-August-2021.pdf

Joining and Renewing

Fees and How to Pay

ANNUAL:
$20
LIFE:
Under 60 yoa **$360**
60 to 65 yoa **$290**
66 to 70 yoa **$210**
Over 70 yoa **$170**
Partner FEES
ANNUAL: LIFE:
$8 $75

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
E-mail: maxwjahn39@gmail.com

b) **Bank transfers and 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 an e-mail address.

Joining & renewing online
If you receive The Superannuant by downloading a digital copy from the Association website, you can click on the link below in that digital copy to open the relevant page of the website. Choose online: New Members, or online: Renewing Members as appropriate.
https://www.sasuperannuants.org.au/how-to-join/

Member’s Details and 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
- ❑ Life membership
- ❑ Change annual to life
- ❑ Partner Annual Membership
- ❑ Partner Life Membership

Newsletter
❑ by post ❑ email
Email address
…………………….@..................................
Signature …………………………………….
Date ……………………

QSuper Lifetime Pensions

In an earlier item reference has been made to *Comprehensive Income Products for Retirement* (CIPRs). One of the earliest products of this type is available through the Queensland superannuation office (QSuper). Ray Hickman has submitted an item on this product which, due to space constraints, is being held over for publication in the February 2022 issue of *The Superannuant.*

Newsletter Coordinator

CPI Change:
The Adelaide CPI change for the period 1 January-30 June was an increase of 1.12% and this change to Super SA pensions will occur in October.
CSS and PSS pensions increased by 1.1% in July.

Committee Positions for 2021

President: JamesVandenberg
Vice-President: Peter Fleming
Secretary: Brenton Pain
Treasurer: Michael Evans
Membership Officer: Max Jahn
Assistant Secretary: Lindsay Oxlad
Guest Speaker Co-ordinator: Ian Beckingham
Committee members: (6 positions): Alan Raftery, Barry Grear.