Issue 72 February 2025

THE SUPERANNUANT

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

Membership Applications/Renewals

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From the President

Firstly, I thank all committee members for their work in the past year. 2024 began with us looking distinctly shaky, with both Secretary and President taking the positions reluctantly, despite this we negotiated the year safely, and we look in good shape as we enter 2025. I particularly thank Barry Grear for his work as Secretary, even a stroke did not seem to slow down his efforts; Peter Frick has done great work as Communications Manager and Newsletter Co-ordinator, the newsletter continues to be the only contact with many of our members and the fact that so many of you remain with us tells us that you think it a worthwhile publication; also Peter has made us more computer savvy, and putting our general meetings on YouTube has been a great innovation. Don Campbell has done an excellent job as Membership Officer and has worked wonders getting the database up to date, thank you Don. Also, thanks to Sydney Spiteri for taking on the Qantas Club and getting it on track again, thank you too Syd.

We have had several members say they will join the committee for 2005, and we will have the committee filled to the extent the Constitution permits. This has not happened for many years. Particularly welcome to Dianne Baron, who will be rejoining us and has volunteered to be Agenda and Minutes secretary; the secretary job is very hard and dividing the duties seems to be a wise move. Pamela Gardini, a new addition to the committee, will share the rest of the secretarial tasks with Barry.

- In N.S.W. and Victoria the government pension schemes were established as untaxed-source schemes (i.e. Paid no tax on contributions) but were changed to taxed-source schemes around 1990. This involved a reduction in pension, but this was more than compensated for by tax advantages, leaving most pensioners better off, and, we argue, spending more money in their State. Why we wondered does South Australia not offer this to members of the State Pension scheme? One possible explanation is that the Commonwealth is giving the State some payment to leave the scheme as it is, however, the State Treasurer has assured us that this is not the case, so we will seek to meet with him in near future to talk about offering this possibility to our members. We will be suggesting that any discussion proceed on the following basis.

1. any change involving a reduction in a pension gross amount must be voluntary for every member
2. the cost to the state government of any change should not increase
3. subject to 2. above all tax savings should pass to members
4. A change meeting these requirements would not be for everyone but could offer worthwhile savings to some people. If all three of the conditions, especially the first one, above cannot be met then existing arrangements would continue. ***Mike Evans***

In This Issue of *The Superannuant*

General Meeting Guest Speakers

February 24th. At the time of printing negotiations for a speaker at our AGM have not been finalised. Notice will be given by email and on the web site when it becomes available.

March 31st: John Cronshaw is a BARRISTER & SOLICITOR Specializing in Wills & Estates Commercial & Business Leasing Practising since 1984. He has a Bachelor of Law degree (Adel Uni) Graduate Diploma – Legal Practice (Adel Uni) and is a Member of The Law Society of South Australia"

Ian Beckingham Guest Speaker Coordinator
Assistant: Craig Trewartha

Membership Officer Report

There are a variety of ways that you can renew your membership as outlined on our website in the How to Join page. My preference is that you complete the Renewal form on that page and return it either by mail or email. You may however still use the online renewal if you choose to do so.
Payments can be made by cheque but as cheque books are fast becoming a thing of the past you might like to consider an Electronic Funds Transfer if you do not already do so. Osko is an EFFICIENT way to complete renewal. Contact me if you have renewal questions.
Don't forget members can qualify for a special QANTAS CLUB Corporate Membership. Details of how to do this are on the web site in the Matters of Interest section. Let me know if you are not in a position to access this.
Further to our October's Newsletter, we were grateful for member's responding to our questions to "Missing Information" and we are again asking for your latest information. Why? Simply because we need to receive up to date information for your contact details such as member's mobile phone numbers, email addresses and Alternative names, and relationships Please complete the information as requested either in your posted Superannuant or in the email body if you receive your Superannuant by email.

Don Campbell Membership Officer

Communications Manager's Report

There are a number of ways that members can communicate with the Association, including snail mail and our recent telephone answering service. By far the best way however is through our website and via email.

It concerns me somewhat that there are still 30% of our membership who have not provided us with an email address. Sadly, this means that they do not have access to the members only Member's Portal on our web site. Nor do they receive notices of upcoming General Meetings with details of the speaker for that month. Neither do they receive the link to the video recording of General Meetings including the speaker's presentation. Without an email address you are only receiving three communications a year from us through the Superannuant. Those of you who have provided us with an email address will hear from us at least thirty times a year with important information from the Association. A big thank you to all those on our email list and a big encouragement that if you are not then please consider joining the rest of us. It would be great to have you on board

Peter Frick Communication Manager

Victorian Branch Report

The Victorian Branch held its end of year meeting on 27th November 2024 with presenters Chris Parsons, Senior Manager Engagement, Commonwealth Superannuation Corporation (CSC) and Peter Baker, retired Telco engineer and active APSS member as guest presenters on the day.

15 Members attended the pre meeting "Christmas Luncheon" in person, and approximately 30 members attended the meeting via Zoom. Members attending in person contributed $5 each towards the platter lunch and several bottles of wine were donated by committee members to add a Christmas atmosphere and cheer for this end of year celebratory meeting.

The formal meeting commenced at 1:30 PM and Chris Parsons gave a detailed overview of the CSC followed by answers to pre submitted member questions. Chris also spoke about the new CSC 3rd Act Community newsletter and web page launch and the CSC Retirement ready online program. If you are interested in Chris's presentation and responses to questions raised, members can watch a recording of his presentation on the PS Superannuant web site in the Member's Portal.

Peter Baker then enlightened the audience about the Australian Government's "Be Connected" website content and how to identify and avoid scams.

2025 Meetings

The next Victorian Member's meeting will be held on 26 March 2025 at the South Melbourne Community Centre with the guest speaker Elena Konstantinova, Senior Financial Adviser.

Victorian meetings in 2025 will be held on Wednesdays, 26 March 2024, 25 June 2025, 24 September 2025, and 26 November 2025. Members from all states are welcome to attend meetings if visiting Melbourne at the time (starting at 12:30pm) or join the meeting via Zoom (at 1:30pm AEST). You are welcome to invite current public sector employees, former colleagues, friends, or partners to our Meetings and to join our Association at our meetings or beforehand. The Victorian Branch also maintains an open communication online questionnaire for you to ask questions and suggest meeting topics prior to each meeting – complete responses at https://forms.gle/udL3KC6ohsYdvuit9

Alternatively, you may email us at APSSuper1927.Vic@gmail.com

Gerry Schembri Convenor Victorian Committee

2025 Federal Budget Submission

Proposal 1: Age pension income to be declared non-taxable income

Supporting argument: Commonwealth and South Australian defined benefit pensions remain taxable income for life and any additional income, including age pension, is added to the superannuation income and taxed at the marginal tax rate for the combined income. Medicare levy is also paid on the combined income.

Most superannuation pensions become non-taxable income from age 60 and any age pension, or other income, is taxed as if it is the only income. The effect of this is that most Australian retirees can have substantial superannuation incomes, supplemented by age pension and investment income, without paying tax or medicare levy on any of those income components.

In contrast to this a substantial fraction of the people that PS Superannuants represents pay tax and medicare levy on all of superannuation, age pension and investment income. Furthermore, where either a single person or one member of a couple, relying on a Commonwealth or South Australian defined benefit pension is receiving an age pension, and enters aged care, there is a further penalty that applies. The entire age pension income of such a person is counted when the age care fee is calculated. This amounts to a tax on a tax for people of relatively modest means who are already in an often-difficult circumstance.

PS Superannuants acknowledges that the defined benefit pensions of its members represent a good return on their investment. However, we consider that the common assertion of the pensions being generous by community standards does not stand up to close examination when all three pillars of the retirement income system are taken into account, along with taxation differences and aged care costs.

We claim that the pensions are ***'Good, but not better than the Superannuation Guarantee'.*** If these pensions were made generally available today our expectation is that most Australians would opt to continue with the Superannuation Guarantee. There is ample evidence that the Superannuation Guarantee, supplemented by the personal contributions at the level required of our members, would produce at least the same level of reliable income, well past life expectancy, along with higher estate values in the event of earlier deaths. The Federal Government's December 2023 discussion paper entitled 'Retirement Phase of Superannuation' refers repeatedly to the strong preference shown by Australian (and overseas) retirees for account-based pensions over lifetime income products.

Concluding comment on Proposal 1: If age pension income is declared non-taxable for all Australians the cost to tax revenue will be relatively small and will decrease over time.

Proposal 2: Where after-tax, personal contributions by themselves are sufficient to create a tax-free component greater than 10% of a defined benefit pension's gross value the 10% cap currently being applied to the amount of the pension that is not counted in the age pension income test should not apply.

Supporting argument: From the 'Simpler Super' superannuation reforms of 2007 until 1 January 2016 the tax –free component of taxed-source defined benefit pensions was calculated taking account of both the amount of contributions a pension recipient had paid from after-tax income and the proportion of service completed before 1 July 1983. This latter component of the pension was not only tax-free income after age 60 it also was exempt income for the purpose of the Centrelink age pension income test. The inclusion of pre-July 1983 service in the determination of the tax-free component saw some pensions acquire high tax-free components (up to 50% of the gross pension value) with all the tax-free income also being exempt income in the determination of age pension entitlement.

Effective from 1 January 2016 the Federal Government introduced a 10% cap on the amount of tax-free component that is not counted in the income test regardless of how much of the pension was being funded from personal contributions made from after-tax income. Since then, at least 90% of every defined benefit pension (taxed-source and untaxed source) must be counted in the income test.

The Government's justification for imposing this cap was to say that a mistake was made in 2007 when the pre-1 July 1983 component of a tax-free amount was also exempt from the age pension income test. In other words, the Government was arguing that only the part of the pension that was capable of being funded from personal, after-tax contributions was intended to be exempt income for the purpose of the income test. **That is what this Association is asking for with this second proposal.**

This is a matter where it is revealing to compare treatment of defined benefit pensions with that of the recently introduced Comprehensive Income Products for Retirement (CIPRs). The CIPR available from QSuper pension has only 60% of its purchase price counted in the age pension asset test up to the purchaser's life expectancy and only 30% after life expectancy. The same percentages apply to the CIPR income for income test purposes.

By allowing this the Federal government's **additional age pension costs** are a substantial portion of the income provided by the CIPR. Many CIPRs would have been purchased entirely with concessionally-taxed money, and the law is allowing for only 60% of this tax-free income to be counted in the age pension income test and 60% of the purchase price in the asset test. And yet we have another law that says where a defined benefit pension recipient has paid after-tax contributions sufficient to fund more than 10% of the pension, he/she can only claim 10% as income that is exempt from the income test.

There are defined benefit pension recipients whose personal after-tax contributions are sufficient to produce a tax-free component of more than 10% of a pension's gross amount. The Commonwealth's PSS scheme pensions, and its CSS non-indexed pensions, stand out from other defined benefit pensions as far as having pension recipients in this category is concerned.

Our organization believes that both of the changes we are proposing will, in addition to providing fairness for our members, simplify Australia's retirement income system and provide some additional incentive for Australians to stay in, or re-enter, the workforce after age 67. The impact the proposals, if implemented, have on tax revenue and age pension costs will be small and decreasing.

Ray Hickman

Advisory Group Report

Members: Don Campbell, Ian Thomas, Peter Baker, Richard Clough, Ray Hickman, John Pauley and Annette Barbetti
Our 11th December meeting assessed the following priorities for 2025. These will be prioritised in February.

- Defined Benefit schemes inequity under laws, mainly Taxation. Seek to make defined schemes optionally tax exempt per pensioner. Similar solution to modern super, with changes scheme level to meet the tax obligation to fund pension tax exemption.
- Defined Benefit Superannuation Impact on Age Pension, and aged care access.
- Support Ron De Gruchy in CPI campaign, some aspects are not that straight forward
- Education and information references within APSS for members as Defined Benefit Scheme knowledge reduces
- Ad-hoc Superannuation issues that arise
- Present a review of the Future Fund and defined scheme interaction to members
- Address government policy concerns raised: it is difficult to move politicians, Treasury and Media, as facts are not as important in decision making
- Maintain a watching brief on superannuation industry change to keep members aware.
- Continue dialogue with Commonwealth Superannuation Corporation (CSC) for data to support inequity analysis for persons receiving Defined Benefit Pensions.
- Investigate potential for Unions engagement for member growth from retiring members of the public sector workforce.

We will move to quarterly meetings, with an initial timing for February, April and June.
Don Campbell has given great service organizing the group in 2023 and 2024 but has resigned due to overall pressure of his commitments. Richard Clough has volunteered to take over organising the advisory Group for 2025.
2024 achievements
We have developed a CSC relationship with 2 CSC presentations, and a commitment to one in 2025.
The last CSC presentation was to the Victorian branch on 27 November.
We have captured a high-level draft history of the Victorian government superannuation system from Ian Thomas from 1961 onwards, so we can connect the interaction of the schemes over time.
Some initial thoughts on a repository for scheme information and our insights have been made. A Link to ACSPRO* has been developed through John Pauley, its chair, and President of the Tasmanian Association of State Superannuants Inc.
*Australian Council of Public Sector Retiree Organisations

Peter Baker

CPI Changes

The Adelaide CPI change for the period 1 July 2024 -31 December 2024 was an increase of 0.43% and this change to Super SA pensions will occur in April 2025.
CSS and PSS pensions increased by 1.2 % in January.

Nominations for the 2025 Committee

The Following members have been nominated for the 2025 committee:

President:	Michael Evans
Vice President:	Brian Burt
Secretary:	Barry Grear
Secretary Support	Pamela Gardini
Assistant Secretary:	Dianne Baron
Treasurer:	Michael Evans
Membership Officer:	Don Campbell
Communications Manager:	Peter Frick
Guest Speaker Coordinator:	Ian Beckingham
Committee:	Ray Hickman
Committee:	Peter Baker
Committee:	Keren Wicks
Committee:	Roger Emery
Committee:	Arnulf Anders
Committee:	Syd Spiteri
Observer:	Jim Rhodes
Observer:	Eileen Pritchard
Observer:	Richard Clough

Annual General Meeting

Please join us for the AGM in Adelaide at 1.30pm on Monday 24th February 2025 at Mead Hall, Flinders Street Baptist Church, 65 Flinders Street Adelaide.

Agenda Items will include, but may not be limited to:

1. Confirmation of Minutes of AGM 26 February 2024.
2. Reports including – The Presidents Report, The Treasurers Report, Audited Financial Statement and Notification of Sub-committee activities.
3. Election of Officers and Committee.

Treasurer's Report

Members have been generous in responding to our appeal for all members to contribute a voluntary levy, more accurately described as a donation, and the income from dues plus donations show a satisfying increase from 2023. (I have been questioned as to why we do not separate these in our financial reporting, and the

answer is that most members pay the two combined, and trying to sort them out would require a lot of work, examining each entry, and both the Membership Officer and the Treasurer have heavy workloads already). I have not received the audited financial report for 2024 yet, but my proposed income and expenditure statement for the last three years (available on our website) shows that our income for 2024 was around $5,000 greater than in 2023. If this is maintained it should extend that life of the Association. But this will depend on members maintaining the level of donations. It is in your hands, please keep donating.

Space does not allow for the inclusion of financial details in this newsletter. However monthly Treasurer's spreadsheets are available attached to the executive minutes which may be read in the Member's Portal on our web site.

Mike Evans

Updated Care at Home Programme

Australian Government myagedcare

The updated Federal Government Support at Home program will commence 1 July 2025 and the contributions participants in the program will pay.

Access

Participants will have quicker access to services. Additional funding over the first two years of the new Support at Home program will shorten average wait times for services to a target of 3 months from 1 July 2027.

A new classification system

Participants will be assessed into one of 10 new funding classifications. The new classifications improve on the current 4 packages available through the Home Care Packages (HCP) program by better aligning funding to need. This includes 8 ongoing classifications, and 2 short term classifications – the restorative care pathway and end-of-life care pathway. Under Support at Home, the highest ongoing classification exceeds the current Level 4 HCP, with a budget of almost $78,000 per year.

A defined service list

The program will have a service list which specifies the services available under Support at Home. This will provide clarity for older people and service providers about what can be accessed. The service list includes clinical care (such as nursing and physiotherapy), support for independence (such as personal care, respite, transport and social support), and help with everyday living (such as cleaning, meals delivery and gardening).

Quarterly budgets

Participants will receive a quarterly budget that aligns to their funding classification. Participants will work with their provider to choose how to spend their budget across some or all of the services they have been approved to receive. Participants will be able to save up to $1,000 or 10% (whichever is higher) of the value of their quarterly budget across quarters, if available.

Capped prices

Service providers will draw down on participants' budgets after services have been delivered. Prices for each service must not exceed price caps set by the government based on the advice of the Independent Health and Aged Care Pricing Authority.

A focus on independence at home

Assistive Technology and Home Modifications Scheme: Participants will have upfront access to assistive technology and home modifications through a separately funded scheme. This means people will no longer have to save their package funds for these supports. The scheme will have a defined list of the assistive technology and home modifications that can be funded.

End of life care

Older people with less than 3 months to live and who wish to stay at home, will be given priority access to the program's dedicated highest funding classification for additional home care services ($25,000 for 12 weeks).

The pathway will work in conjunction with, not replace, specialised palliative care services such as symptom management and advanced care planning.

Further information may be accessed by [clicking here.]

Joining and Renewing

Fees and How to Pay

ANNUAL:
$30
LIFE:
Under 60 yoa **$400**
60 to 65 yoa **$350**
66 to 70 yoa **$300**
Over 70 yoa **$250**
Voluntary levy (to bolster dwindling reserves) $15.

Partner FEES
ANNUAL: LIFE:
$10 $100

Receipts will be sent on request. Please include a stamped, self-addressed envelope for postal receipts.

a) **Joining & renewing online**

Complete the appropriate forms at:
https://www.pssuperannuants.org.au/how-to-join/

b) Bank transfers

Please make sure that the payment is accompanied by your name and suburb with sufficient details to identify you as the payer. Please also send a completed renewal or application form by post or e-mail

Bank SA: BSB 105-900
Account number: 950313840
Account Name: PS Superannuants

c) Paying by cheque or money order

Please send your postal payment with the renewal or application form to:
Membership Officer
Public Sector Superannuants
PO Box 8202, Ferntree Gully, Victoria 3156
E-mail: apssuper1927@gmail.com
T: 0870770986

d) New and Renewing members

When not renewing or joining online, 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 this purpose if you do not use the online option. It can also be used to convert to a life membership, notify a change of address or phone number.

Members Details and Payments

Existing Members

Our records show your details as:

Member status:

Paid To:

Partner member:

Partner Paid to:

New and Renewing Member's Postal Form:
(An online form is available on our website)

Title…… Gender……….

First Name ………………………………….

Last Name………………………………….

Postal Address
……………………………………………………
………………………………

Year of Birth………

Home phone…….

Mobile phone………………………………

E-mail …………………………………….

(Providing this, will not affect how your Superannuant is delivered)

Department from which you retired or are currently working with:
…………………………………………….

Payment amount $…….

Purpose of payment (tick relevant box)

- ❑ Renew annual membership.
- ❑ New Annual Membership
- ❑ New Life membership
- ❑ Change annual to life.
- ❑ Partner Annual Membership
- ❑ Partner Life Membership
- ❑ Donation

Newsletter

❑ by post ❑ email

Signature …………………………………….

Date ……………………

Your Missing Membership Details

Below and in the previous column you will see the details we have for you in our Membership Registry. We have also added the option of providing an alternative person to handle your communication with us if you wish. This is optional.

If there is a blank, then that means we have no details for this heading. If you have missing details or there is an error, could you please email them to the Membership Officer or send them by mail to the addresses at the newsletter masthead.

First Name

Surname

Land Line if still active:

Mobile:

Email:

Birth Year:

Department you work(ed) for:

Alternative Contact name:

Alternative contact Relationship:

Alternative contact phone:

Alternative contact email: