

“Remember! The first line on the envelope address shows your financial status”

Issue No. 27

Website: www.sasuperannuants.org.au

January/February 2010

THE SUPERANNUANT

*Newsletter of the South Australian Government Superannuated Employees Association Inc
Trading as S.A. Superannuants. Established 1927*

Address **Membership Applications/Renewals** to:

The Membership Officer, S.A. Superannuants, P.O. Box 348, Modbury North, SA 5092
(08) 8264 4146. E-mail: raywen@bigpond.net.au

Address **General Correspondence** to:

The Secretary, S.A. Superannuants, P.O. Box 568, Torrensville, S.A. 5031.
(08) 8352 6504. E mail: cosme@senet.com.au

From The President

I wish all members a prosperous 2010, and I remind members whose “paid to date” on their envelope is 31/12/09 that annual fees are due.

Our pension scheme is something we made a large personal contribution to over our working lifetimes. It was meant to provide a retirement income adjusted regularly to maintain its value. We all know that this objective has not been met and our superannuation pensions are declining in value relative to community living standards.

For a high proportion of our members the age pension is important in supplementing the super pension from age 65 but this support was significantly reduced last year by the tightening of the income test. Furthermore because our Super SA pensions are untaxed source pensions, superannuants who are not eligible for a part-age pension, may also not be eligible for a Commonwealth Seniors Health Card (CSHC). Our members in this position can only watch the value of their pension fall year by year relative to community living standards.

A different, but perhaps related, matter is that members of South Australia’s superannuation schemes have less influence over the running of the schemes than is the case with all other state schemes. This is due to Super SA being part of the Department of Treasury and Finance, rather than an independent Trustee office. This difference between us and the other states needs to be looked at closely.

2010 is a State and Commonwealth election year. It is time for us to be more active in letting our MPs know that we have been left behind and that we are no longer prepared to accept this situation.

Peter Fleming

CPI Change: The Adelaide Consumer Price Index increase for June 2009 – December 2009, was **1.41%** and this same adjustment will be made to Super SA pensions from April, 2010.

Annual General Meeting
Monday, 22 February, 2010, at 1 p.m.
Pilgrim Centre, 12 Flinders Street, Adelaide

Agenda:

1. Apologies.
2. Minutes of the 2009 Annual General Meeting.
3. Annual Reports: President, Treasurer.
4. Additional category of membership-for-life for over 70s (see item on page 2).
5. Changes to the constitution (see item on page 2).
6. Election of Officers and Committee for 2010.

----- Guest Speaker:

Hon Isobel Redmond MP, Leader of the State Opposition

Speaker Program for General Meetings:

March-May, 2010

(Speakers and topics subject to change without notice)

March 29: Dionie McNair: Volunteers co-ordinator
Royal Society for the Blind.

April 19: Dr Graham Lyons: Waite campus of
Adelaide University Biotifying Plants with Micronutrients (come along and you will find out what this means!)

May 31: Derren Halleday: Regional Commander,
Central Region of the State Emergency Service.
Role of the State Emergency Service.

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.

Annual General Meeting Items

1. Proposed New Membership-for-life Fee

The Membership Officer has proposed that:
“the schedule of membership fees be expanded to include a new fee of \$90 for membership-for-life for people aged 70 years or more.”

Before this change takes effect it must be passed at the Annual General Meeting. RH

2. Changes to the Association Constitution

At the AGM it is proposed to seek support for the adoption of a new constitution, a copy of which can be seen on the Association website. The most significant differences between the existing and proposed new constitution are:

1. In the new constitution there is a power to admit to the Association members of superannuation schemes other than the pension scheme. This change (Clause 3.2) is being proposed after several years of being considered by the Committee. It reflects a concern that maintaining the organisation as a viable entity will require it to be opened up to members of other schemes at some time in the reasonably near future.
2. In the proposed, new constitution the list of Officers (Clause 6.2) will be expanded to include Membership Officer and Speaker Co-ordinator. In the current constitution the work of the Membership Officer is included in the duties of the Secretary but this has never been practical because of the large amount of work involved. This change will see what actually happens match what the constitution says should happen. In the existing constitution there is no reference to a Speaker Co-ordinator but the advantages of having a person dedicated to this task has been judged as a sufficient reason to formalise the position.
3. Some changes to the constitution are being proposed to ensure it meets the latest requirements of the *Associations Incorporation Act 1985*. These changes deal with:
 - (a) elections (clause 12)
 - (b) expulsion of a member (clause 26)
 - (c) disqualification of a committee member (sub-clause 6.6)
 - (d) voting by proxy (sub-clause 16.6)

The change to the election arrangements will mean that from the 2011 AGM all candidates must be listed in a notice sent to all members at least two weeks before the election is held.

The Committee considers that the only change proposed that might be controversial is the change which would permit entry to the Association of members of other schemes. In the event of this change, or another change, producing evidence of concern from members the Chairman will exercise his discretion to decide whether a vote on adoption can be called without infringing the right of members to have matters of concern to them adequately considered before a vote is taken. RH

Continuity - Surviving Spouse Pensions

A matter that concerns many Superannuation Pensioners is the current arrangements for surviving spouses to obtain their pension.

The current procedure is that a surviving spouse has to present to Super SA a number of documents, e.g. proof that she/he is the spouse such as a marriage certificate, and a death certificate before Super SA will pay the spouse pension. This is a sad and traumatic time for spouses. The process can take some weeks or months and the resultant gap in income can be embarrassing. In addition, an ever increasing number of spouses in these circumstances must wait upon a formal decision from Super SA before they can apply for an adjustment to their part age pension.

Your Executive believes that this situation can be improved. On 29 September, 2009, your President, Peter Fleming, and two other Executive members, Dr Ray Hickman and Dr Michael Evans, met with the Chairperson of Super SA, Hedley Bachman, and two senior officers of Super SA, John O’Flaherty and Garry Powell, to put a case to them as follows.

1. “There is nothing in the Superannuation Act that we are aware of to prevent Super SA automatically paying the surviving spouse pension to the spouse of a deceased pensioner.
2. The requirements of the Act would be met if all Superannuants with spouses were offered the opportunity to lodge all required documentation (except the Death Certificate!) while both were still alive.
3. Instead of the pension ceasing on the death of the superannuant it would be immediately replaced by the surviving spouse pension where the necessary documentation was held by Super SA.
4. To protect the fund there would be a strict requirement that within a specified period of time following the decease of the superannuant the surviving spouse would have to verify that the documentation already with Super SA

remains valid and provide the Death Certificate. Failure to meet the agreed time limit would result in suspension of the pension until the spouse had provided the required documentation.”

Our case was listened to carefully and the reaction was very positive. Indeed there was an acknowledgement that it would be in everyone’s interest to expedite the payment of pensions to surviving spouses, and that Super SA have always been looking for ways to minimise the time involved. Super SA has agreed to come back to us as soon as they have had a chance to verify that there are no legal obstacles and they have been able to come up with a practical procedure. If Super SA agrees to implement this proposal it will be an excellent, and low cost, response to a matter which is worrying an increasing number of members.

As it is now about four months since we have heard from Super SA your Executive will follow up this matter shortly and we will inform you of the outcome in the next issue of *The Superannuant*.

Peter Fleming

Different But Certainly Not Equal

As a result of a Federal Government budget initiative which took effect on 1 July 2007, superannuation pensions paid from taxed schemes are tax free after age 60 and not required to be declared as assessable income in annual taxation returns. Effectively, this means that the recipients of such pensions may have other income of at least \$6000, from dividends, interest etc, that is also tax free. In fact it can be significantly more than \$6000 bearing in mind the concession available under the Senior Australian Tax Offset.

By comparison recipients of superannuation pensions from untaxed superannuation schemes, such as our scheme, are required to declare their pension income and pay tax and the Medicare levy on all income including their pension income. In the event that a pensioner’s marginal rate plus Medicare levy is 31.5% then their additional tax liability on \$6000 would be \$1980.

At some time after having made the decision to not require recipients of pensions drawn from taxed schemes to declare such pensions in annual tax returns, it was realised that this arrangement also impacted on the eligibility criteria applying to the grant of Commonwealth Seniors Health Cards (CSHC). Such cards are only available to seniors who have taxable incomes of less than

\$50,000 and \$80,000 for singles and couples respectively. Accordingly, taxed scheme pensioners can have additional income up to these amounts on top of whatever their taxed source pension is and still retain their CSHC. The cut-out points for the CSHC eligibility have not changed since their introduction in the 2001/2002 federal budget and so the increase in untaxed pensions due to indexation has resulted in some people losing their right to a CSHC.

In 2008, the Federal Government announced that commencing in the 2009-10 tax year, pensions received from taxed funds would be taken into account when assessing eligibility for the CSHC. However, at the eleventh hour this decision was abandoned and no action was taken to alter the status quo. This seems entirely inequitable and discriminatory as recipients of pensions from untaxed schemes continue to have their pensions assessed for CSHC purposes.

Being, or becoming, ineligible for the CSHC has the following financial consequences:

- **Loss of Centrelink ‘Seniors Supplement’** (which recently replaced the Seniors Concession Allowance and Telephone Allowance). This allowance, which is paid quarterly, amounts to \$788.20pa (singles) and \$1185.60pa (couples).
- **Loss of South Australian government energy concession credits.** This concession payment of \$120pa is paid directly to the providers of electricity and gas, which in turn pass on those credits to consumers who hold concession cards, including the CSHC.
- **Increased costs of medicines under the Pharmaceutical Benefits Scheme (PBS).** The PBS Safety Net is designed to keep medicines affordable by limiting out-of-pocket expenses for people and families who require a large number of medicines. Under the safety net, concession card holders, including the CSHC, are required to contribute up to \$324 per calendar year for prescription medicines (representing 60 scripts at \$5.40 each). After that, any additional medicines are free of charge. For those without a concession card, each prescription costs \$33.30 and the safety net threshold is \$1281.30.
- **Increased cost of medical treatment under the Medicare Safety Net.** Under the Medicare Safety Net, the amount that a person pays for a wide range of out-of-hospital medical services, over and above the medicare rebate, counts towards the safety net. Once the safety net is reached Medicare pays 80% of subsequent out-

of-pocket costs incurred during the remainder of the calendar year. For concession card holders, including the CSHC, the safety net is \$562.90 per calendar year, but for those without a concession card, the safety net is \$1126.00 per calendar year.

- **Increased cost of medical treatment.**

A large number of medical practitioners and providers of ancillary medical services do not bulk bill and instead adopt a scale of fees that differentiates between concession card holders, including the CSHC, and non-concession card holders. However, as the Medicare rebate remains fixed, additional out-of-pocket costs are incurred by the latter.

Mike Duff

Age Pension Developments

As of 20/9/2009 the transitional age pension system has been operating alongside a new standard system. In both systems supplementary payments previously made separately from the fortnightly payment are now included in it.

Every part age pensioner who was already receiving an age pension payment on 19/9/2009 should have seen their fortnightly payment increase more than usual from 20/9/2009. This is due to the combined effect of the inclusion of supplementary payments in the fortnightly rate, and the increases to the base rate of age pension for singles, and an additional supplementary payment for couples, that commenced on 20/9/2009.

During 2010, the longer-term effects of last year's reforms will emerge. It is likely that they will be quite visible once the first adjustment to the age pension is made in March. **There will be more on this in the May/June issue of *The Superannuant*.**

As the old saying goes "It is an ill wind that blows no good." The more severe income tests that now apply to income-tested part age pensioners and applicants for the Commonwealth Seniors Health Card (CSHC) should bring home to us the consequences of not being among the organizations that are consulted as Governments formulate their policies. Unless we change this we are destined to repeat last year's experience again and again.

The first step towards having the Government consult us about retirement income policy is to give it the means of doing so. There is no doubt that when it made the two decisions referred to above the Government did so genuinely believing that by consulting organisations like *COTA* and *National Seniors* it was consulting with

organisations that had a good insight into the circumstances of all retirees, including recipients of defined benefit pensions.

We have been told bluntly that if we are not happy for organisations like *COTA* and *National Seniors* to be representing our interests we need to tell the Government, and keep reminding it, who can speak for us. Consequently we have now made it clear that only the *Australian Council of Public Sector Retiree Organisations (ACPSRO)* can adequately represent the interests of defined benefit pension recipients. An exchange of letters between *ACPSRO* and the Hon Jenny Macklin MP, Minister for *Families, Housing, Community Services and Indigenous Affairs* has seen *ACPSRO* included in the list of stakeholders for policies affecting access to the age pension and CSHC.

This first step in getting a hearing from Government on national policies has been easy. The hard part is going to be convincing the Government that consulting with *ACPSRO* over the age pension, CSHC and related matters is worth the effort. S.A. Superannuants has accepted responsibility for doing the research and submission writing that is involved here.

What can you do? The Association's representations to members of parliament need to be backed up by individuals writing to their federal members of parliament and to senators. I urge you to do this. Points you could make in a letter include:

- You expect the Government to consult with the Australian Council of Public Sector Retire Organisations to find out how its policies are going to affect you.
- Last year's tightening of the age pension income test was unfair because no change was made to the asset test. Both tests should have stayed the same or both should have been tightened.
- Eligibility criteria for the CSHC are unfair because people getting their superannuation pensions from taxed funds do not have their income counted while untaxed pensions are counted. Both types of pension should be counted or both types should not be counted.
- The Henry Tax Review recommendations on age pension and related matters need to be released immediately so there is time for adequate consultation before this year's budget is brought down. *RH*

Speaker's Corner

At the November 2009 meeting the guest speaker was Dr Brian North of the Neurosurgical Research Foundation (NRF). Many of our members have occasional, or even full time, care of grandchildren. Young children are prone to falls and it doesn't take much of a head bump on a hard surface for first aid to be needed. Here are some tips as provided by NRF.

Get medical help quickly if:

- The bang on the head has been hard, for example, a fall from a height.
- The child appears dazed or loses consciousness (even for a moment).
- The child seems unwell or vomits.
- If your child is unconscious call an ambulance. Do **not** leave the child alone.
- You should also have your child seen by a doctor if **you** feel uneasy.
- After a fall or a bump young children are often sleepy, especially if they have cried a lot or it is getting near to a sleep time. If the child seemed well after the bang on the head, it is okay to let him/her go to sleep. But if the child seems unusually sleepy (you cannot wake the child up after about an hour or he/she seems in a dazed condition upon waking) it is best to consult a doctor immediately.

If your child seems O.K, but complains of a sore head, you can give paracetamol or ibuprofen.

SA Superannuants has a fact sheet (provided by NRF) dealing in more detail with different head injuries, for example, bruises, cuts, concussion. If you wish to receive a copy, please email the Assistant Secretary on venncm@yahoo.com.au or phone 8339 4871.

To send a donation to the Neurosurgical Research Foundation and/or Paediatric Appeal, the address is PO Box 698, North Adelaide 5006 or www.nrf.com.au **My thanks to Ginta Orchard, Executive Officer of NRF, for assistance in compiling this article** *Christine Venning*

Events and Opportunities in Adelaide

For members living in Adelaide, or visiting, there are organisations that offer some interesting public lectures/educational opportunities. The following is a list of just a few. You can e-mail me at cwithers@chariot.net.au or ring on 08 8271 2358 if you have difficulty in accessing anything listed below. Let me know of events which may interest members so they can be included in future newsletters.

Organisations Offering Free Public Lectures

- **CSIRO:** for information tel 83038417 or e-mail Jan.Mahoney@csiro.au Venue, Waite Campus, time 3.30 p.m.
- **Adelaide University:** to join the *Research Tuesdays* e-mail list go to www.adelaide.edu.au/researchtuesdays Venue, 230 North Terrace: Time 5.30 p.m.
- **University of South Australia:** for information tel. 83020420 or go to the Hawke Centre at www.unisa.edu.au/hawkecentre/mailling/default.asp to join the centre's e-mail list.
- **South Australian Museum:** tel 82077098 or go to www.samuseum.sa.gov.au to register to be sent a newsletter.

Educational Opportunities

- **Hamilton Adult Campus,** 825 Marion Road, Mitchell Park, S.A. 5043. Now enrolling for 2010 courses. Wide variety of semester and full year subjects offered with fees ranging from \$0-\$70. Differing amounts apply for computer subjects. www.hamcoll.sa.edu.au/adult-campus
- **Flinders University** allows attendance at lectures for some courses (fee is \$55-\$110 per semester). Go to www.flinders.edu.au for conditions that apply. Under *Prospective Students* click on *Other Study Options* – then *Auditing a Topic* for further information. *Claire Withers*

Comments on the Financial Report

Fees vary considerably from year to year, this is because some substantial items occur only every few years, for example registration of our business name; also the amount spent on FOI applications varies considerably. Fees were particularly high in 2009 as we employed an accountant to prepare our tax return.

Newsletter expenses vary depending on how many pages each issue contains; in 2009 these expenses included printing a membership brochure and payment for artwork for our masthead. Our photocopying and other office expenses have increased substantially, as we have become more active liaising with other superannuation organisations and presenting our case to Governments and politicians. *Michael Evans*

This page for the financial statement

Fees And Their Payment

Fees: Annual=\$10. Member for Life: age under 60=\$200, age 60-65=\$160, over 65=\$110

When Do Annual Fees Become Due? New members joining before 30 June as annual members are financial until 31 December of that year after which another annual fee is payable. New members joining after 30 June are financial members until 31 December of the following year. This long first year of membership is seen by the Executive Committee as a reasonable compromise to avoid a person having to pay two annual fees less than six months apart.

Continuing annual members must pay the annual fee for every year of membership. An annual member who was financial until 31 December 2009 and pays the renewal fee in May 2010 is financial only to December 31, 2010 and not until May, 2011 or December, 2011.

b)When paying by cheque or money order

please send your payment to

Membership Officer

S.A. Superannuants

P.O. Box 348

Modbury North SA 5092

c) When paying by electronic funds transfer

Please make sure that when the payment arrives in the Association account it is accompanied by your surname, initial and suburb. Otherwise we may not be able to recognise who has made the payment.

Our Bank is **Bank SA** and other details are:

BSB 105-900

Account number: 950313840

Account name: SA Superannuants

d) When making an in-person deposit into the Association's bank account you must notify the membership officer (in writing or by e-mail) that you have done this and the date. This type of payment can be very difficult to assign otherwise.

e) New members and payments by electronic funds transfer or in-person deposits

If you are a new member paying by one of these methods please also send a membership application form to the Membership Officer so that your necessary details can be recorded.

To apply for membership of the Association, or renew your existing annual membership, or convert annual membership to membership for life complete the form on page 8.

Membership Matters

Vale Queenie Inshaw

Queenie Inshaw was a member of the SA Superannuants Committee from 2006-2009. Late last year Queenie died suddenly in England, the land of her birth. She was a quietly spoken woman of intelligence, common sense, determination and affability.

Soon after leaving school, Queenie worked in an isolation hospital. She demonstrated her quick thinking when she evacuated the sick children after a bombing raid.

Queenie's work at the American Army Post Office gave her the impetus to study accountancy. Her service in local government and then in the Treasury in Whitehall provided her with vital experience. When the time came for a move to Pennsylvania for her husband, Eric's work, she was able to find employment

The couple arrived in Australia for four years, or so they thought. Fortunately for South Australia, Queenie and Eric made their home here.

Queenie viewed her formal retirement as an opportunity to expand her horizons. She became a volunteer for numerous groups. To honour her many achievements, the Premier of South Australia awarded her a Certificate of Appreciation in 2008. This was the icing on the cake as far as Queenie was concerned.

I met Queenie when we were volunteer receptionists in COTA. She always presented a quiet, efficient demeanour to the many visitors. I was thrilled when Queenie joined the Association Committee. Her level headedness and ability to suggest compromises will be sadly missed.

Our sincere condolences to husband, Eric, and her two beloved godchildren.

Christine Venning

New members of the Association

Robert Hetherington	Daryl Payne
Loreen Delarue	David Evans
Colin Watson	Alan Banks
Peter Petherick	Richard Gleeson
Peter Kennedy	B M Garwood
M H Leo	Rudolph Mohor
Kaye Uren	Bruce Grimm
Uni Carnegie	Alfred Schneider
Barry White	Alan Moss

Continued on page 8

New members continued

L C Newbury	Nick Pincombe
Salvacion Dobbins	Margaret Boyes
William Pearce	Jim Egan
Chris Chardon	Thomas Heint
Lyall Bishop	Brian Cookson
William Bittel	Scott Andrews
John Giles	R J Broad
Peter Host	Richard Parkes
Vera Hawke	Jeffrey Tilbrook
Mary Arden	Brian Harrip
Mariels Hocking	Vince Sweet
Roger Aitchison	Les Partick
Claire Hale	Ross Butler
D M Ryan	Jack Humphrys

Current Membership:

Annual: 741; Life: 885; Total: 1,626

Letter of thanks from a member

To Ray and Clive,

I would like to thank both of you and the association for helping me to draft my letter of appeal to Super SA over a payment I had been told I would have to make. This was after Super SA had incorrectly advised me of how much I could earn from employment before my pension would be affected. Getting a notice telling me that I had to pay such a large amount was totally unexpected and very worrying.

But for your advice I would not have been aware of the part of the Act that I think played a big part in the success of my appeal. Thank you again for all your advice regarding my predicament.

Yours sincerely,

Martin Smith

Editor's Comment: Martin's experience is a reminder that membership of the Association ensures, should you find yourself in a situation like the one Martin faced, you will not be alone.

2009 Executive Committee

President: Peter Fleming

Vice-President: Clive Brooks

Secretary: Vic Potticary

Assistant Secretary: Christine Venning

Treasurer: Michael Evans

Membership: Ray Hickman

Guest Speaker Coordinator: Roger Tilmouth

Committee Members:

Arnulf Anders, Max Kernich,

Claire Withers

✂ Cut this half-page section off

Membership Applications/Renewals

Please provide at least your full name and address in the panel immediately below and then complete whichever of the other three panels applies to you.

Surname.....

Given Name.....

Address.....

.....

Telephone.....

Signature.....**Date**.....

Renewal of Annual Membership

As my fee for renewal of annual membership

I have enclosed \$----- OR

I have made an electronic funds transfer of \$----- to the Association Bank Account OR

I have made an in-person deposit of \$----- into the Association bank account.

Changing Annual to Life Membership

I am an annual member of the Association changing to membership for life. My date of birth is As my fee for membership for life

I have enclosed \$----- OR

I have made an electronic funds transfer of \$----- to the Association Bank Account OR

I have made an in-person deposit of \$----- into the Association Bank Account.

New Membership Application

I am applying for membership of the Association. The category of membership I require is.....(write annual or life)

Date of Birth.....(life applications only)

I have enclosed \$----- OR

I have made an electronic funds transfer of \$----- to the Association Bank Account OR

I have made an in-person deposit of \$----- into the Association bank account.

Receipts will be sent for Life Membership Fees but members requiring a receipt for an Annual Fee must enclose a stamped self-addressed envelope.