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Consumer Price Index (CPI) March Quarter 2018

- CPI increase for 12 months to 31/3/2018 was 1.9%.
- CPI increase for 6 months to 31/3/2018 was 1.1%.
- CPI increase for 3 months to 31/3/2018 was 0.4%.

As a result of the CPI increase for the 6 months to 31 March 2018 indexed CSS and PSS pensions will increase by 1.1% on pension payday 5 July 2018.

Message from the President



Hello to all you worried pensioners out there. Yes, we did act immediately on the Labor Opposition's proposed dividend imputation policy. We sent a letter right away to Mr Shorten protesting the proposed policy. You can read the letter on our website <http://www.scoa.asn.au/submissions/>. We are arguing strongly that we should not be swept up in this rather badly thought out tax grab. Even those of us who do not get the age pension are not the potential taxpayers that should be targeted.

It continues to amaze our National Committee that the 300,000 or so of us who receive a taxable Commonwealth defined benefit pension are completely overlooked in policy decisions from both sides of government.

However, enough whinging for the moment. Firstly, perhaps, a word about the recent changes in the National Office. Annette Barbetti, our competent long term President, resigned for health reasons in early January, and I confess I was worried about the changeover of Presidents. But it's gone pretty much without a hitch, mainly due to a helpful SCOA National Committee and our excellent office staff Anne Willenborg, Arlene Wilkinson and Shelley O'Neill.

Some challenges

Since January the Committee has met a couple of times and during discussions has had to confront a couple of depressing issues. The first is our decline in membership which will ultimately mean our demise. In 2008 we had 17,000 members. At the last count we have a little over 7,000. There is an explanation.

The last Commonwealth defined benefit scheme closed in 2005, thirteen years ago, and newer public servants are not seeing the need to avail themselves of SCOA's services. It's logical. From 1923, SCOA was set up to protect the interests of a group who would retire on a Commonwealth

defined benefit indexed pension. Newer public servants will retire on an accumulated account based income stream where indexation and taxation will not apply. And our average age is rising.

However all is not lost. We have after amalgamation of the State branches, something that in my opinion should have occurred decades ago, a healthy reserve which, if very carefully husbanded, together with our subscription income, should see us through a few more years.

Further, we do not expect a rapid reduction in members, we believe the amalgamation of data bases caused a bit of a shakeout which has stabilised. SCOA could well attain the age of 100. So we have a number of years to act vigorously and pursue our goals.

The second is that in spite of our best efforts over the last few years we have had little traction from both sides of politics. So we have decided to take a leaf out of the professional lobbyists' instruction books (the term "lobbyist" has been sanitised we have discovered; it is now referred to as *government liaison*).

We have set some money aside to carry out some research on current politicians in both Houses and other stakeholders that are important to us. We will incorporate that into a contact plan in which we will identify targets and follow them up on a regular basis. Such a plan has worked with other special purpose groups like ours so we will give it a go. We will not go out with a whimper.

SCOA's main priorities

The Committee has agreed on three main priorities, i.e. indexation, taxation (including the dividend imputation refundability) and dental care to be included under Medicare.

We have decided that with limited resources we must concentrate our efforts but will continue to join with other organisations and support them over issues such as nursing home and home care, elder abuse, downsizing, the government's drive to limit phone access to Centrelink and forcing pensioners to digital access, allowances and so on. However we will not allow our support to compromise our priorities.

We are rolling out a targeted government liaison program and so far we have visited four ministers' offices: Dan Tehan, Social Security; Michael Keenan, Human Services/Centrelink; Mathias Cormann, Finance; and Kelly O'Dwyer, Revenue and Financial Services, and gone through our arguments for fairer indexation and more logical taxation.

We got a very good reception and response from all four. More visits are planned. So we are already on the way to a planned approach to emphasising our arguments and they are strong arguments, to those who matter.

SCOA's arguments

Basically, our arguments are as follows: SCOA Australia Incorporated is a national organisation which has been around since 1923. It represents some 300,000 ex Commonwealth public servants who are or are about to be retired under the two old Commonwealth defined benefit superannuation pension schemes, the CSS and PSS. The last of these old schemes closed in 2005.

Nevertheless, as a group we have serious concerns that must be heard. We are not retired "fat cat bureaucrats". The average CSS pension is around \$32,000 p.a., the PSS a little less, and in many cases that supports a couple. Most also get all or a part age pension.

SCOA looks after the interests of these superannuants and is presently concentrating on two issues which greatly concern our members, the indexation and taxation of our pensions.

CPI—what exactly does it show?

Commonwealth superannuation pensions are adjusted to the CPI. It is becoming increasingly obvious that the CPI is not a measure of movement in the cost of living. The Australian Bureau of Statistics (ABS) also state this. Consequently, since 2000 the pensions of our group have lost at least 30% of their purchasing power.

Try the indexation tool on our website and see for yourself (<http://www.scoa.asn.au/indexation-tool/>).

We know that the ABS adjusts the CPI for “quality improvements” and SCOA want the ABS to tell us how they do this. Along with the official CPI figures, we want the ABS to publish the CPI as calculated under the 1989 International Labour Organisation Guidelines before ABS makes adjustments for things like quality. How do they assess the quality improvement?

Unfair taxation

Income streams from a taxed accumulated superannuation fund (an account based income stream) are tax free in the hands of the recipient once they are over 60. However CSS and PSS pensions are taxed. This arises due to the nature of the schemes where employer contributions were paid not into a taxed superannuation fund but straight into consolidated revenue without any tax being withheld. Granted, there is a 10% tax offset on these pensions but it still means that any additional income is taxed at the pensioner’s marginal tax rate. This anomaly could be fixed with the stroke of a pen.

*“We are not retired fat cat bureaucrats,
and all we are asking for is fair pension
indexation and taxation treatment”,
SCOA President Peter Illidge*

SCOA has no problem with the \$1.6 million cap. However we believe it would be much fairer if the widely available life tables and annuity formula were used instead of the blanket multiplier of 16. The amount of tax collected would not change. To assume that an 86 year old pensioner has another 16 years to live is very presumptuous. And there is a glitch.

The spouses of CSS and PSS pensioners get 67% of the pensioner’s original pension if the pensioner dies (this is known as the reversionary benefit). However Centrelink apply the multiplier of 16 to the full original pension when calculating the entitlements of the surviving spouse. This is illogical.

SCOA has pointed this out to the government and we understand that steps are underway to correct this anomaly. For more details about this issue, see the item on page 5.

Up until January 2016 a discount of up to 50% was applied to some recipients of defined benefit pensions to reduce their income when applying for the age pension.

In spite of SCOA’s many approaches, no government department has been able to adequately explain how this discount worked. However its reduction to 10% affected many age pensioners who received small defined benefit pensions. We suspect that some discounts arose from pensioners contributing their own funds to their pension.

SCOA believes that many struggling pensioners were affected and that the arrangements should have been grandfathered, only new applicants coming under the new rules. We lobbied hard over a long period of time only to be informed by the government that it had no intention of changing (or grandfathering) the legislation.

Medicare and dental care

SCOA has for a number of years argued that dental care, so important to the health and welfare of older people in particular, should be covered under Medicare. We will continue to do so.

2018 Annual General Meeting

The 2018 Annual General Meeting will be held in Brisbane on Tuesday 30 October 2018. With this issue of SuperTime we have enclosed a nomination form to use if you wish to nominate for election to be an office bearer of the association or for a position on the National Committee.

I urge you to consider this opportunity to get more involved in how the organisation is managed and how we do things.

If you do decide to stand for election at this year’s AGM, please return the form, duly signed and endorsed by a financial member of the association to SCOA Australia by no later than **COB on 30 June 2018**. Under the SCOA rules, *nominations received after this date will not be accepted*.

If we receive more nominations than positions available, an election must be arranged and ballot papers will be sent to all members with the August 2018 issue of SuperTime together with a Reply Paid envelope (see below regarding rule changes).

The August issue will also include further details about the AGM including the venue which has yet to be confirmed.

In summary

These are our current messages and we will do our best to ensure that they don't go unrecognised. But we want you to help us as well by keeping up the pressure on your local federal Members and Senators. Or write to me. Keep me up to date. I have hope that we will achieve our goals. I think we will surprise ourselves.

Peter Illidge, President

SCOA's rules changed

A General Meeting was held in Adelaide on 10 April 2018 at which the members present agreed to a number of amendments to the SCOA Australia Rules. The objectives of the amendments were primarily to put a firmer framework around the election of office bearers and members of the National Committee and allow as many SCOA Australia members as possible to participate in the election process.



President Peter Illidge addresses the General Meeting in Adelaide in April

If under the amended Rules, there are more candidates than positions on the National Committee, the Secretary must arrange for an election to be held. Ballot papers will be sent to all SCOA Australia members and must be returned to SCOA Australia at least two weeks before the Annual General Meeting.

This process is expected to take several months and we will use SuperTime as the vehicle to get

ballot papers out to you. If you have any questions about the new Rules, please call Anne Willenborg on 02 6286 7977 or send her an email to executive@scoa.asn.au

Changes to age pension rules from 1 July 2018

Currently there is a Bill before Parliament (*Social Services Legislation (Payment Integrity) Bill 2017*) that changes the residency requirements for the age pension, and ceases the basic pension supplement if the age pension recipient is absent from Australia for more than six weeks. These changes are due to commence on 1 July 2018 subject to the Bill passing and receiving Royal Assent before 1 July 2018.

New residency requirements

Currently, to qualify for the age pension, a person must be an Australian resident for a total of ten years, with at least five of those years being continuous. However, there is no requirement for those ten years to be during a person's working life, that is between 16 years of age and age pension age, or for a person to demonstrate self-sufficiency during that time.

For a person to qualify for the age pension under the new residency requirements a person will be required to have ten years continuous Australian residence and either

- Five years of this residence during their working life; or
- Greater than five cumulative years' residence while not in receipt of an activity tested income support payment.

Where a person does not meet either of these requirements they will need to have fifteen years continuous Australian residence.

Ceasing the basic pension supplement if absent from Australia for more than six weeks

The age pension contains a "pension supplement". As of 20 March 2018, this pension supplement was \$67.30 for singles and \$50.70 for couples (each). A component included in the pension supplement is the "basic supplement".

As of 20 March 2018 the basic supplement was \$23.40 for singles and \$19.20 for couples (each).

Currently, if an age pension recipient goes overseas, their pension supplement is reduced to the basic amount after six weeks temporary absence from Australia, or immediately for permanent departures.

The Bill provides that no pension supplement will be paid if a recipient has been overseas temporarily for six weeks or has permanently left Australia.

How the CSS and PSS pensions are assessed for the age pension

CSS and PSS pensions are classed as “defined benefit pensions” for the purposes of means testing for eligibility for the age pension. This means that CSS and PSS pensions are only assessed against the income test and disregarded for the purposes of the assets test.

The amount of income from the CSS or PSS pension that is assessed against the income test is taken from information contained on the CSS and PSS pension increase advice letter issued by the Commonwealth Superannuation Corporation (CSC, formerly ComSuper), and sent to CSS and PSS pensioners in June and December each year.

The CSS and PSS pension advice letter lists three components of the CSS or PSS pension. They are:

- 1) Tax-free component
- 2) Taxable component—taxed component
- 3) Taxable component—untaxed component

The total amount of the two taxable components is assessable for the income test for the age pension. The tax-free component is not assessable unless the tax-free component is greater than 10% of the total amount of the CSS or PSS pension.

If the tax-free component is greater than 10% of the total CSS or PSS pension, then the amount of the tax-free component that is equal to 10% of the total CSS or PSS pension is not assessable for the income test for the age pension, and the amount greater than 10% of the total CSS or PSS pension is

included in the amount that is assessable for the income test for the age pension.

From 20 March 2018 the age pension disqualifying income limits are:

- Single—\$1,982.20 per fortnight
- Couple—\$3,036.40 per fortnight.

If income from the sum of the taxed and untaxed components plus any excess above the 10% threshold of the tax-free component, and any other income is less than the age pension disqualifying income limits, you may meet the income test for a part age pension.

Even though CSS and PSS pensions are not assessed against the assets test for the age pension a person may have other assets, for example an investment property that may disqualify them for the age pension.

The transfer balance cap and death benefit income streams

With the first anniversary of the controversial transfer balance cap (TBC) on the horizon, there has been a lot of discussion about the \$1.6 million limit on retirement income streams, but few may have turned their mind to how this might affect the benefits payable to their spouse when they die.

It is important to remember that the cap also applies to retirement income streams payable to spouses, but there are different rules for the treatment of reversionary and non-reversionary death benefit income streams for the purposes of the TBC.

Reversionary death benefit income streams are those that automatically become payable to a new beneficiary as a pension when the original recipient dies, including spouse pensions payable through the CSS or PSS schemes after the death of the original pension recipient.

Reversionary death benefit income streams that commenced after 30 June 2017 are valued at the date of the original recipient’s death, but are not credited against the beneficiary’s transfer balance account until 12 months after the death of the original recipient.

Reversionary death benefit income streams that commenced before July 2017 are valued on 1 July 2017 and are credited against the beneficiary's transfer balance account on the later of 1 July 2017 or 12 months after the death of the original recipient.

Non-reversionary death benefits are not automatically payable to the beneficiary as an income stream, but can instead be paid as either a lump sum or an income stream depending on the rules of the fund. These include pensions payable to eligible spouses following the death of a contributing CSS or PSS member.

Non-reversionary death benefit income streams that commenced after 30 June 2017 are valued and credited against the beneficiary's transfer balance account when the pension first becomes payable. Non-reversionary death benefit income streams that commenced before July 2017 are valued and credited against the beneficiary's transfer balance account on 1 July 2017.

Anomaly for some reversionary CSS and PSS pensions

SCOA has identified an anomaly with the valuation of some CSS and PSS reversionary pensions payable to eligible spouses which may result in the special value of the spouse pension being calculated using the full rate of the original pension rather than the 67% spouse rate. The problem affects CSS/PSS reversionary spouse pensions that started from 30 March 2017.

SCOA has raised the matter with the Minister for Revenue and Financial Services, the Hon Kelly O'Dwyer who is expected to take steps to remedy this unintended anomaly.

Case study

Jill was receiving a fortnightly PSS pension of \$2,500 when she passed away on 31 August 2017. Jill was survived by her eligible spouse, George, who has his own account based pension valued at \$600,000 against his transfer balance account.

For seven pension paydays after Jill's death, George's PSS spouse pension is \$2,500 per fortnight before reducing to \$1,675 per fortnight.

George's PSS spouse pension will be credited against his transfer balance account on 31 August 2018. Under the current law, the special value would be \$1,042,857 which brings his transfer balance account to \$1,642,857, i.e. exceeding the \$1.6 million cap.

Therefore, he will need to commute (cash out) \$42,857 from his pension account as a lump sum, or roll back into an accumulation (non-pension) account.

Please remember that the above information is general in nature only and does not take into account your financial situation, objectives or needs. The information may not be appropriate for your specific circumstances.

One stop shop for financial complaints

Legislation has passed Parliament that establishes the Australian Financial Complaints Authority (AFCA). The new body replaces the previous Superannuation Complaints Tribunal as well as the Financial Ombudsman Service and the Credit and Investments Ombudsman.

The new body will deal with all consumer financial disputes about products and services provided by financial firms including superannuation disputes.

Confirming the bill's passage in Parliament, the Minister for Revenue and Financial Services, Kelly O'Dwyer said that "significantly more consumers and small businesses will have access to free, fast and binding dispute resolution following the passage of the legislation.

AFCA will provide a one-stop shop to ensure consumers get a fair deal in resolving disputes with banks, insurers, super funds and small amount credit providers without the expense, inconvenience, and trauma associated with going to court".

The new body will become operational by no later than November 2018. For more information, go to afca@treasury.gov.au



We are pleased to support SCOA.

So who are we?

Firstly, here at COTA Insurance, we're one of Australia's only not for profit insurance providers. In fact, all of our funds after expenses support COTA to fight for the rights of older Australians.

From a customer perspective, we are a trusted brand that has stood the test of time. We were Australia's first – which makes us the most experienced – insurance specialists for older Australians.

So what makes us different at COTA Insurance?

- Our focus is pure: we are experts in providing quality cover and advice with policies that were developed specifically for older Australians by globally respected underwriters.
- Customers choose us because they know that we go beyond in our service offering, driven by our cause to support the needs of older Australians.
- We are headquartered in Adelaide, and service right across the country so you can speak to a local over the phone.
- Our experienced and knowledgeable staff love dealing with our customers - our culture of generosity makes COTA Insurance a great place to be.

What our customers say!

"I will never purchase Travel Insurance from anyone else following the service you provided after breaking & dislocating my ankle in Spain. From daily phone calls in hospital, payment to hospital, organisation of travel home. Excellent service provided." Nigel

"Have used COTA throughout my professional career & now retirement. Only claimed once & was instant response, no questions asked." Patricia

"We spoke with maybe 6 staff members over several days as we negotiated our Travel ins with pre-existing medical issues. Everyone with whom we dealt was courteous, competent & extremely helpful & positive. 10 out of 10!" Robert & Deirdre

The insurance market is highly competitive these days – and our quality cover won't be priced to suit everyone. However, we would love to see SCOA members at least give us a try!

To help with that, we've developed a special offer for SCOA members for each new eligible policy you purchase over the phone including **travel, home, car, boat and caravan insurance**. See below for details. Even if your insurance is not due for renewal just yet, let us know the renewal date and we'll contact you nearer the time with the same offer.

Thanks for learning a little more about COTA Insurance – I hope that we hear from you soon!

Daryl Bateman
Chief Executive Officer,
COTA Insurance



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Offer ends 30 June 2018 and is only available to Australian residents aged 18 years or above who are new COTA customers. To be eligible to receive a \$50 Woolworths WISH Gift Card, you must purchase a new COTA Home, Car, Caravan & Trailer, Boat, Landlord or Travel Insurance policy by calling 1300 1300 50 and quoting the code "SCOA50". Only available to policies with a total premium of at least \$200. Offer only applies to new policies and does not apply to existing policies or renewals or variations of existing policies. Cannot be used in conjunction with any other offer. Full terms and conditions available at www.cota.com.au/scoa50. Except Travel Insurance, Insurance and Membership Services Limited ABN 55 057 150 740, AFN No. 246234 trading as COTA Insurance, arranges these insurances as agent of the insurer Allianz Australia Insurance Limited (ABN 15 002 122 890, AFN No. 2564706). Reinsurance cover is issued and managed by Cyp Marine Limited ABN 11 007 588 347 AFN No. 256555 as agent of the insurer Allianz. For Travel Insurance, Insurance and Membership Services Limited trading as COTA Travel Insurance (COTA) is an authorised representative (ABN No. 246234) for Caribana Special Risk Pty Limited (Caribana) ABN 61 115 902 375, AFN Licence No. 308463, and is arranged and managed by Caribana and underwritten by certain underwriters at COTA's Insurance and Membership Services Limited trading as COTA Insurance acts as a broker only and does not make any recommendation or give any opinion about this insurance. We do not provide any advice based on any consideration of your objectives, financial situation or needs. Policy terms, conditions, limits and exclusions apply. If you purchase a COTA Insurance policy, we will receive a commission which is a percentage of the premium. We also receive a marketing allowance from Allianz which is a percentage of the total premium earned on Home and Landlord (excluding flood), Motor and Caravan and Trailer policies arranged by us with Allianz (including renewals). If the agreed premium threshold is met, we will also receive a percentage of the profit which exceeds the agreed profit threshold for Home and Landlord (excluding flood), Motor and Caravan and Trailer policies arranged by us with Allianz (and certain renewals) in each calendar year. Ask us for more details before we provide you with any services.

Tax information on our website

Some members who do not have a computer or access to the Internet have contacted SCOA and asked if space could be found in SuperTime for the tax information that is currently only available on the website (at <http://www.scoa.asn.au/taxation-issues/>). A copy of that page is attached with this issue of SuperTime. Note that some of the information is in relation to the 2016/17 tax year although we are almost at the end of it.

Generally the ATO does not issue information about the next tax year until well after the May federal budget, however, assuming that the relevant information has been issued without too much delay, we will include the updated information with the August issue of SuperTime. If the information is not ready for the August issue, and you need it to assist with the completion of your 2017/18 tax return, please contact SCOA's National Office and if the information is available, we are happy to send you a copy in the mail.

Please also note, the paper based tax pack is no longer readily available. The ATO expects all tax returns to be lodged online via the MyGov portal. If you still want to do it the old fashioned way, you would still have to go online and apply for a tax pack to be sent to you.

Or you could get a tax agent to assist you; don't forget, the fees you pay to a tax agent are tax deductible.

A credit card for you and one for your spouse—don't leave home without it

The difficulties for many retirees (and their spouses) in getting credit cards were highlighted in a recent article in the Australian Consumer Association's CHOICE Magazine, "Credit where credit's due", CHOICE, February 2018 (see <https://www.choice.com.au/money/credit-cards-and-loans/credit-cards/articles/self-funded-retirees-and-credit-cards>).

Even once a retiree gets a credit card, it is not uncommon with a retired couple that the major income (for example a CSS pension) is in one partner's name and that the other partner has a relatively low separate income (although the combined income is considered for the purposes of an age pension or part-pension).

If your partner is the main source of income in your household, it is likely that any credit cards are in that person's name and that you may not have a credit card in your own name, even if you have a supplementary card on your partner's account.



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Financial institutions require that the account-holder has an acceptable income and is responsible for all debts incurred on the card, including the supplementary card. It can be quite difficult for the low income partner to get their own independent credit card. This can have significant ramifications should the partner with the credit card account pass away.

In the event that your partner pre-deceases you, you will straightaway be unable to use those credit cards including the credit card that bears your name but is actually a supplementary card on your partner's account. This may leave you in a very awkward position for some time, until the reversionary pension is in place and a new credit card application can be processed on the basis of that income. It is therefore prudent to have a credit card of your own, not just a supplementary card on your partner's account, and to have this in place in advance of any contingency.

But, as noted above, this may not be easy if you only have a small income in your own name. An alternative strategy is to have a joint account (on which either partner can draw and which will not be frozen in the event of the death of one partner) and a debit card in your own name linked to that joint account. While not as convenient as a credit card in some ways this will help bridge the gap until a credit card can be established.

Calling SCOA

We are phasing out the 1300 phone number which was installed some years ago for the use of SCOA Australia members only. Now that we are all one national organisation, there is no need to keep this number any longer. Until the end of December 2018, calls to the 1300 number will be diverted to our main number 02 6286 7977. After that, if you want to contact SCOA's National Office by phone, please dial 02 6286 7977.

Men's sheds—a place to get away from it all

Are you retired, a male and seeking some good company while undertaking wonderful projects to help out in the community? Then consider joining a men's shed. There are around 300 Men's Sheds across our wonderful country. They are places where men can go and feel welcome.

I belong to the Belconnen Community Men's Shed, which is located about three blocks from where I live in the ACT. It is a purpose built shed that is fully lined, heated and air conditioned. It has wood and metalworking areas, a kitchen and a large table. There is a separate store room come toilet. There is also a separate electronics group which has recently been started. There is also room for storing raw materials.

There are four general sessions each week from 9 in the morning till around noon. A separate session is held once a month for men to get together and just talk. This is totally independent of the daytime sheds. Our shed's motto is, "Every Bloke is a Champion".

The daytime shed helps out with local community projects. Men come together to supply their skills to build all sorts of objects. Some are one off items which are put together for people who approach the shed. We have a good selection of tools to tackle all sorts of tasks. One man sits on a scroll saw and cuts out crosses and small animal figures, which are sold off to various groups. One man is very good at refurbishing park benches. Some men come along and tackle some jobs they can't do at home.

At 10 am each day we all stop for coffee, tea and biscuits and cakes and a chat. All men must log in and have a nametag. We all pay a yearly premium for insurance in case of accidents. Men within the shed have the expertise to use all the machinery and are willing to pass on the knowledge on how to use them if you are not sure.

Local organisations and companies donate items and raw materials to the shed. Members bring in items and raw materials to pass onto other members. A recent innovation is to have a BBQ lunch once a month.

If you have the time, join in a local men's shed. If it doesn't live up to your expectations, you can either leave it or try and find another one. My only regret is that I should have joined the daytime shed sooner after I retired.

And memberships are not restricted to retirees. We have older members who come along just for the company. Others are disabled and come along with carers. Many retirement villages also have the beginnings of a men's shed.

Go to the Australian Men's Shed Association (AMSA) at <http://www.mensshed.org>

David Gorrell (ACT Local Committee member)

No more robo-debt debacles?

The government has introduced legislation amending the *Income Tax Assessment Act 1936* to improve data matching to help ensure the right people are receiving welfare payments.

Increasing the powers of the ATO to verify a Tax File Number to another Commonwealth agency where that agency has an existing right to ask for its collection under Commonwealth law, will offer greater data assurance and integrity across government agencies and lead to lower levels of incorrect adjustments in welfare payments and a reduction in welfare payment leakage.

ACT local committee

Next ACT Members' Meeting

Monday 4 June 2018 at 10.30am to 12.00 noon at the Southern Cross Club, 92-96 Corinna Street in Phillip. Andrew Leigh MP (Member for Fraser) will provide a presentation for ACT members and answer questions. Refreshments will be provided.

SCOA Australia ACT Convenor's Report 2017

It has been a challenging year for SCOA in the ACT. For some time it had been evident that demographic trends plus the diminishing pool of members able and willing to serve on the committee and undertake the administrative demands of managing membership, finance, representations and activities were eroding the viability of a stand-alone Branch, linked to SCOA nationally through a federal Branch structure.

The issues involved (and the advantages to be gained) by moving to a unitary national structure, with matters such as finance and membership administration handled centrally, had been canvassed at length in SCOA News and in reports at general meetings throughout 2016.

In consequence, at the SCOA ACT Annual General Meeting held on 6 March 2017, attended by some 90 members, it was resolved unanimously that:

Having regard to the understandings reached between the SCOA ACT Branch and SCOA Australia as detailed in the exchange of letters of 9 and 15 August 2016 (published in the November SCOA News):

- 1) The SCOA ACT Branch be dissolved with effect from 30 April 2017;
- 2) SCOA ACT Branch members transfer to SCOA Australia as at that date; and
- 3) All assets of the SCOA ACT Branch be transferred to Federal Council.

These resolutions were confirmed at a subsequent Special General Meeting on 3 April 2017, at which approximately 88 members were in attendance.

The Branch Committee has become the ACT Committee (a local committee of SCOA Australia), its Chairman being delegated by the National Committee as the Local Convenor for the ACT. All membership and administrative issues and general queries are now dealt with directly by the National Office at Pearce.

We closed our separate ACT office at Holder at the end of November 2017. However, enquiries or contact (by post, email or telephone) on ACT issues and activities will still reach the ACT Committee using the contact details set out in the back of this newsletter.

A program of speakers on relevant issues was arranged for well-attended quarterly members' meetings in 2017, with topics including financial planning, superannuation, Commonwealth home care provisions, elder abuse, housing options, and the work of COTA (the ACT Council on the Ageing). This program of interesting and varied speakers will continue in 2018.

Our active recruitment campaign, coordinated by David Gorell, has undertaken regular recruitment stalls at local shopping centres and at the annual Seniors Week Expo, resulting in a steady trickle of new members. Full details appear in SuperTime and on the SCOA Australia website.

The ACT Committee also continues to monitor and make representations on a range of ACT issues affecting our members, most recently through a detailed submission for the ACT 2018/19 Budget.

Details of ACT activities and representations appear regularly in SuperTime as well as occasional notices sent directly to members who have provided their email addresses.

The bulk of this work has fallen on a small group of dedicated people. We remain urgently in need of members who can spare a couple of hours a month to assist us in running the Committee and its ACT activities and recruitment. Interested members are invited to contact me directly on scoa.act@scoa.asn.au.

Members are also welcome to attend our Committee meetings which are held at 10.30 am on the second Tuesday of each month (except January) at the Pearce National Office.

Members of the ACT Committee are also actively involved in policy issues nationally. SCOA Australia office-bearers, National Committee and National Executive include members of the ACT Committee as well as other ACT members (such as the Treasurer). We solicit and welcome your input to enable us to continue to represent you effectively.

John Blount, Chairman/Convener ACT

March 2018 members' meeting

On 27 March 2018, around 48 ACT members attended a presentation at the Ainslie Football Club by Vik Sundar, Principal and Managing Director of Chamberlains Lawyers, on wills, powers of attorney and related issues, with particular emphasis on the use of testamentary trusts.

These can provide a lot of value depending on an individual or couple's circumstances. A copy of the PowerPoint presentation has been provided by email to ACT members for whom SCOA has relevant contact details.

The meeting also received the Committee's report for 2017 (set out above) and endorsed the ongoing ACT Committee: Annette Barbetti, Peter Barker, John Blount, Wal Collins, Rob Hanna, David Gorell and Bob Steins.

September meeting - change of date

Please note that the meeting previously scheduled for 25 September has been rescheduled and will now be held on **Monday 3 September 2018** at

10.30 am at the Ainslie Football Club, 52 Wakefield Avenue, Ainslie. A guest speaker has yet to be confirmed. Details will be made available in due course.

NSW local committee

SCOA NSW recent members' meeting

A SCOA NSW members' meeting was held at the Burwood RSL Club on 5 March 2018. Thirteen members attended the meeting and generated quite a lively discussion about many different matters.

There was a general discussion of the performance of the Canberra based SCOA Australia and although some members were concerned about the travel cost with the new President residing in WA, it was thought that SCOA Australia is performing well and would continue to perform to the satisfaction of members.

Members liked the new layout of SuperTime. They appreciated the article about downsizing contributions paid into their superannuation accounts and the information about SCOA's pre-budget submission as it shows members that issues of importance to them are being presented to the government.

Many other topics were raised with comments about the CPI and how it is calculated by the ABS. Luckily there were some members present with an ATO background and broad financial knowledge who were able to clarify some issues.

It was agreed to have another general meeting at the Burwood RSL in six months' time and also to arrange informal lunch time meetings from time to time and to keep in touch by email and phone.

Meeting closed at 12:30 for lunch at Club Bistro.

Next NSW members' meeting

Please contact Terry Fawl or National Office (see page 13) or check the NSW local committee page on the website for the details of the next members' meeting.

QLD local committee

Next QLD members' meeting

Please contact SCOA Australia or George Szykarski (see back page) or check the QLD local committee page on the website for further information regarding the next meeting.

SA local committee

Join James Vandenberg for an informal lunch

Have you joined James Vandenberg and the rest of the SCOA SA local committee at one of their regular (monthly) lunch meetings? The lunch meetings are held every second Tuesday in the month at the Aces Bar and Bistro located in the Central Market Adelaide City. Buy your own beer and sandwich and talk about anything you like, including SCOA matters.

At the recent event, discussion centered on some SCOA issues, the new President, how is SCOA moving forward on indexation and taxation and the CPI; how do we arrest the decline in membership; as well as the Qantas Club scheme.

Next SA members' informal lunch

If you missed the recent lunch, James will again be at the Aces Bar and Bistro in the City Central Market on 8 May and 12 June and beyond. Check the SA page on the website for the dates for the remainder of 2018.

VIC local committee

Next meeting—New venue

Our next meeting will be held **Tuesday 5 June 2018 at 1.00 pm**. The venue will be the Hall in St Michael's building, ground floor, 120 Collins Street, Melbourne. Please note, whilst the venue is close to the corner of Collins Street and Little Collins Street, access is best from Collins Street. At this meeting we will have a speaker from the Royal Historical Society of Victoria.

Recent members meeting

Our General Meeting in March attracted 23 members with 7 apologies. The guest speaker

from the Royal Automobile Club of Victoria (RACV) presented a very interesting talk on driving tips for seniors. She explained that as we age and go through natural changes we become more fragile and the risk of serious injury or death is five times greater in the over 70s than it was in their 50s.

She then used a traffic law quiz to test members' knowledge of the law and took the opportunity to highlight recent changes. It is the driver's responsibility to be aware of law changes, and RACV provide information and courses on changes. She also stressed the need to understand the effect of medications on driving. The RACV provide information on their website for senior drivers and offer driver training for those wishing to build their confidence.

Chris Baulch announced he is stepping down from the position of convener and called for nominations from the floor. Committee member John Barrett nominated and was unanimously supported by members. The nomination has been forwarded to the National Committee for their endorsement and agreement.

Then followed discussion of items from the recent National Committee meeting, including the future of the organisation and the payment of honoraria. The meeting also unanimously expressed the view that *Vale* notices were desired on the website, this being a second preference to having them published in SuperTime.

Barry Schafer reported that the venue St Michael's, previously used for our General Meetings, was again available, and given that access was easier, there were better toilet facilities and the price was comparable. Members at the meeting agreed we should move back to those premises for our next meeting.

WA local committee

Next WA members' get-together

Want to get together with SCOA Australia's WA representative and newly minted President, Peter Illidge? Until further notice, Peter will be at the **Wembley Hotel, 344 Cambridge Street, Wembley**, at 12.00 noon every third Tuesday of the month and invite you to join him for an informal lunch. Please send Peter an email and let him know if you're coming (contact details next page).

SCOA Australia Incorporated is a not for profit volunteer organisation working to enhance the well-being of retired Government employees and their dependants. SCOA Australia influences Government in policy areas such as superannuation, health, taxation, concessions and aged care, and works to improve retirement conditions for our members. SCOA Australia is managed by a National Committee and a National Executive with local committees in the ACT, NSW, QLD, SA, VIC and WA. There are currently no local committees in NT or TAS.

National Committee

Peter Illidge, President
John Blount, Vice President
Tom Dent, Treasurer
Anne Willenborg, Secretary *ex officio*
Barry Schafer, Member
Bob Steins, Member
James Vandenberg, Member
George Szykarski, Member

National Office

Anne Willenborg, Executive Officer
Arlene Wilkinson, Office Manager/
Membership Secretary
Shelley O'Neill, Administration Officer

PO Box 107
Mawson ACT 2607
Phone 02 6286 7977
Email scoaaustralia@scoa.asn.au
Website www.scoa.asn.au

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Commonwealth Superannuation Corporation (CSC)

For questions about your CSS or PSS pensions, call CSC Administration on 1300 001 777 or send an email to pensions@pss.gov.au or pensions@css.gov.au as appropriate

Australian Taxation Office

For inquiries about personal income tax matters, call the ATO Personal Tax Info line on 13 28 61.

Centrelink

For questions about the Commonwealth Seniors Health Card, the age pension, Centrelink's Financial Information Service or other retirement related matters, call Centrelink on 13 23 00.

MoneySmart

ASIC's MoneySmart website offers you tips and tools to help you make the most of your money. Go to www.moneysmart.gov.au

2018 Membership form

Please send the completed form with your payment to SCOA Australia, PO Box 107, Mawson ACT 2607.

Please tick one.

- ☐ **New member**
☐ **Renewing member***

* *Unsure if you need to renew? Please call us on 02 6286 7977 to check if you have fees owing.*

Member number (if applicable) _____

Please tick one.

- ☐ Single \$44
☐ Joint \$62
☐ Surviving spouse/partner \$32

Title _____ Surname _____

Given name(s) _____ Year born _____

Mailing address _____

_____ Post code _____

Phone / Mobile _____

Email _____

Name of spouse/partner _____

Where did you hear about SCOA? _____

Payment method

- ☐ Cheque
☐ Money Order
☐ MasterCard
☐ VISA

Credit card number

Expiry / Amount \$ _____

Name on card _____

Signature and date _____ / ____ / ____

You can also pay by BPAY or EFT. Please call SCOA on 02 6286 7977 to obtain banking details or the SCOA Biller Code and your Customer Reference Number.

PRIVACY STATEMENT

SCOA may from time to time share your membership details with SCOA local committees in accordance with Australian privacy legislation.

Age pension rates and thresholds from 20 March to 19 September 2018

20/3/2018 to 19/9/2018	Single/F'tnight	Couple/F'tnight
Max basic rate	\$826.20	\$1,245.60
Max pension supplement	\$67.30	\$101.40
Energy supplement	\$14.10	\$21.20
Total	\$907.60	\$1,368.20
Max allowable income for part pension	\$1,983.20	\$3,036.40
Max allowable assets for part pension 20/3/18 to 19/9/18		
Home owner	\$556,500	\$837,000
Non-home owner	\$759,500	\$1,040,000

For further information about the information in the above table, go to Centrelink's website at <https://www.humanservices.gov.au/individuals/older-australians>

Volunteers wanted

SCOA's National Office is staffed by three part-time employees. Apart from those, all SCOA's work is carried out by volunteers. We need more volunteers. If you have some special skill, expertise or spare time you would like to contribute, we would like to hear from you. Please contact SCOA Australia by phone 02 6286 7999 or send us an email to executive@scoa.asn.au.

Join the Qantas Club through the SCOA Qantas Club Scheme

As a member of SCOA, you can join the Qantas Club or renew your Qantas Club membership through SCOA at a discount.

For more information about the benefits of the SCOA Corporate Qantas Club Scheme, visit our website at www.scoa.asn.au/qantas-club/ or contact one of our SCOA Qantas Club coordinators, Alan Raftery or Merv Hazell, by email at Qantas@scoa.asn.au.



General tax issues

The information on this page reflects the legislation as it currently stands. Please note, SCOA is not licensed to give financial advice. The information on this page is provided purely as information to our members. Where information has been provided on the basis of the 2016/17 tax year that means the government has not yet announced the figures for the 2017/18 tax year.

2017/18 Personal Income Tax Rates

Taxable income	Tax payable
\$0 – \$18,200	Nil
\$18,201 – \$37,000	Nil + 19% of excess over \$18,200 (tax payable \$3,460)
\$37,001 – \$87,000	\$3,572 + 32.5% of excess of \$37,000 (tax payable \$19,822)
\$87,001 – \$180,000	\$19,822 + 37% of excess over \$87,000 (tax payable \$54,232)
\$180,001 +	\$54,232 + 45% of excess over \$180,000

Medicare Levy for 2016/17

The Medicare Levy is currently 2%, which includes a 0.5% component to cover costs associated with the National Disability Insurance Scheme (NDIS). There is no ceiling on the amount of levy payable by individual taxpayers.

For 2016/17, the Medicare Levy low-income threshold for families is \$36,541, and the additional amount of threshold for each dependent child or student is \$3,356.

The concessional Medicare Levy low-income threshold for individuals is presently \$21,655; the full levy is payable when income exceeds \$27,069.

The Medicare Levy low-income threshold for Senior Australians (applies to those eligible for the Seniors and Pensioners Tax Offset (SAPTO)) is \$34,244; the full levy is payable at the full rate of 2% when an individual's taxable income exceeds \$42,805.

Low Income Tax Offset (LITO) for 2016/17

LITO	From 1 July 2016 to 30 June 2017
Annual amount	\$445
Lower withdrawal limit	\$37,000
Upper withdrawal limit	\$66,667
Withdrawal rate per \$	1.5%

An effect of the full low income rebate is no tax is payable on the 2016/17 taxable income of \$20,542.

Seniors and Pensioners Tax Offset (SAPTO) for 2016/17

This tax offset is available to both pensioners and self funded retirees as long as they meet certain criteria. The “rebate income” used to assess eligibility for this offset comprises taxable income, reportable superannuation contributions, total net investment loss and adjusted fringe benefits. The SAPTO for the 2017/18 tax year has yet to be announced.

Single persons

The maximum tax offset is \$2,230 and is reduced by 12.5 cents per dollar above the “rebate income” of \$32,279 and cutting out when the individual’s income reaches \$50,119.

Couples

For each partner of a couple, the maximum offset is \$1,602 and is reduced 12.5 cents per dollar above the “rebate income” of \$28,974; it cuts out when the partner’s income reaches \$41,790.

Illness separated couple

For each partner of a couple separated by illness, the maximum offset is \$2,040 and is reduced 12.5 cents per dollar above the “rebate income” of \$31,279; it cuts out when the partner’s income reaches \$47,599.

Dependent Offsets (DSTO and DICTO)

DSTO

The government abolished the former Dependent Spouse Tax Offset (DSTO) for all taxpayers from 1 July 2014.

DICTO

Eligibility for the Dependent (Invalid and Carer) Tax Offset (DICTO) from 1 July 2014 applies to taxpayers with a dependent who is genuinely unable to work due to a care obligation or a disability, **who may be eligible for DICTO.**

The test for satisfying the criteria for DICTO is very onerous; a dependent spouse with a disability must generally be receiving either a Social Security or Veterans’ Affairs pension or benefit, and the taxpayer must be receiving the Carer Payment. The care receiver must have a disability that requires constant care, and the carer must apply to Centrelink to be assessed according to the “Adult Disability Assessment Tool” (ADAT). To make the assessment, Centrelink has two forms, one for the carer and one for the doctor. The Carer Payment is means tested, against the same test used for the Age Pension.

If you need more information, see the fact sheet about Carer Payment and Carer Allowance at www.welfarerights.org.au.