

## How the Consumer Price Index affects your pension

On the first payday in January and July each year, we adjust your pension in line with the Consumer Price Index (CPI).

The CPI takes into account a range of factors as set by the Australian Bureau of Statistics (ABS). These include the price of food, clothing, housing and transport.

Once the ABS releases the CPI figures, we can see if your pension is due for an increase. If the CPI rises, we increase your payment. If the CPI falls, or stays the same, your pension will not change.

### How the CPI pension adjustment is calculated

On 22 April 2009 the ABS announced a March CPI figure of 166.2. As this is lower than the September 2008 CPI figure of 166.5, your pension will remain the same. The following calculation shows that the CPI has decreased:

$$\frac{(\text{March 2009 CPI number}) - (\text{Sept 2008 CPI number})}{(\text{Sept 2008 CPI number})} \times 100 = \text{CPI change} \quad (\text{Sept 2008 to March 2009})$$

$$\frac{(166.2 - 166.5) \times 100}{166.5} = -0.1801801\%$$

$$= -0.18\% \text{ (when rounded to the nearest tenth of one per cent)}$$

Therefore, on payday 2 July 2009, your superannuation pension will not increase. If you would like more information about the CPI and how it is calculated, visit the ABS website at [www.abs.gov.au](http://www.abs.gov.au)