

Current topics

Pension
indexation review

Pension indexation review

In June 2008, the government announced a review of pension indexation arrangements for Australian Government, civilian and military super schemes, including the PSS.

Administration
arrangements
for Australian
Government
super schemes

The review assessed the Consumer Price Index (CPI) indexation methodology and whether it should be changed.

On 21 August 2009, the government announced there would be no change to the indexation of PSS pensions.

The government will continue to index PSS pensions in line with the CPI.

Pre-July 1983
excess contributions

For more information and for a detailed report of the review, visit the Department of Finance and Deregulation website at

www.finance.gov.au/superannuation/pension-indexation-review.html.

What happens
to my pension
when I die?

Administration arrangements for Australian Government super schemes

How the CPI affects
your pension

In October 2008, the Australian Government announced a package of reforms to improve and consolidate governance and administration of Australian Government super schemes, including the PSS.

How the CPI
is calculated

The Australian Government proposed that on 1 July 2010, ARIA (the Trustee of the CSS, PSS and PSSap), the Military Superannuation and Benefits (MSB) Board and the Defence Force Retirement and Death Benefits Scheme (DFRDB) would merge. This new board will be responsible for the management of super and benefits for public service and defence force personnel and the DFRDB scheme.

Pensioner
services online

The government announced the reforms would not affect members' super benefits (including pensions) in any way and each scheme would retain its own legislative base and provisions.

We want
your feedback!

For more information, see the joint media release from the Minister for Finance and Deregulation and the Minister for Superannuation and Corporate law at <http://minscl.treasurer.gov.au>.

Do you need to
update your address
or banking details?

Useful contacts

Our contact details

Pre-July 1983 excess contributions

What are pre-July 1983 excess contributions?

These are contributions made before 1 July 1983 which, together with life insurance premiums (if any), exceeded an annual limit of \$1,200. These excess contributions are called pre-July 1983 excess contributions.

What has changed?

Before 1 July 2007, when you submitted your income tax return, you could claim a concession for these contributions directly from the Australian Taxation Office (ATO). However, from 2007/08 financial year onwards, we convert this amount into a tax-free amount and show this on your **payment summary**. This reduces the PSS income amount assessed for tax.

The ATO holds pre-July 1983 excess contribution records.

We need your help

If you previously claimed a deduction in the 'D9 field' of your income tax return, you need to send us this information or give us permission to get this information from the ATO.

Use the checklist below (Step 1) to find out if you have pre-July 1983 excess contributions.

What do I need to do?

1. Find out if you have pre-July 1983 excess contributions that can be applied to your pension

Use this checklist to see if you are eligible for a tax-free amount.

- Your pension (or your spouse's pension if you are receiving a reversionary pension) started before 1 July 1994.
- You chose to take the member contributions as part of the pension, as an additional non-indexed pension
- You have pre-July 1983 excess contributions recorded by the ATO.

If you answered yes to all of the above, you may be eligible for a tax-free amount, but we need some more information first.

2. Fill out the form

If you haven't already told us about your pre-July 1983 excess contribution, please fill out the **Tax-free amount variation** form at www.pss.gov.au.

In the form you can either:

- > Give us permission to contact the ATO to find out your pre-July 1983 excess contributions
- or
- > Include **current** documentation from the ATO confirming the value of your pre-July 1983 excess contributions. Please note we can't accept documentation issued before 1 July 2007. You can find out how to get this documentation in the **Tax-free amount variation** form at www.pss.gov.au.

3. Processing your request

- > When we receive your form we will work out if you are eligible for a pre-July 1983 excess contribution tax concession.
- > We will contact the ATO on your behalf if you have given us permission.
- > If you have pre-July 1983 excess contributions recorded by the ATO, we will recalculate the tax-free component and reduce your taxable taxed component.
- > It may take us some time to contact the ATO, recalculate your tax-free amount and let you know about your tax concessions.
- > You can then apply to the ATO for a reassessment of the tax you have paid in the 2007/08 and 2008/09 financial years.
- > Remember, if you are over 60, your tax deductions will not change because you don't pay tax on either your tax-free or taxable taxed component.

What happens to my pension when I die?

In the event of your death, a family member should let us know by calling 1300 001 777. We need to stop your pension payments to prevent overpayments which your family or estate would need to repay.

Even if your spouse and/or children are eligible for a pension, your pension payments must stop before we can assess any further benefit payment. As soon as your family contacts us we will send an application form to your spouse and/or children. This means they can apply for a pension and, if they are eligible, they will start receiving benefits as soon as possible.

Your eligible spouse and/or children are entitled to receive a pension that is a percentage of the pension you are receiving at the time of your death.

Remember, you can't determine by way of your Will or Testament who is eligible for a spouse or child's pension if you die. Eligibility will be assessed by the information given in the application.

When your family member completes the application form they will need documents to prove their identity to us. Below is a list of documents we can accept as identification. It's important to make sure documents are correctly certified – this helps minimise any delays when processing the benefit. Information on who can certify documents is on the application form.

We need **one certified** document from **column A** and **three certified** documents from **column B**. For example, your spouse could give us a certified copy of their birth certificate or passport (from column A) and certified copies of their Medicare card, electricity bill and telephone bill (from column B).

A	B
Passport (current or expired by less than two years)	Medicare card
Birth certificate or extract, issued by an Australian or foreign government (either in English or accompanied by an English translation prepared by an accredited translator)	A current statement from a financial institution with the same address and name as on the application and not more than three months old. This statement must be the account you are requesting payment into
Birth card issued by a state registry of births, deaths and marriages	Copy of an electricity bill with the same address and name as on the application
Australian citizenship certificate	Copy of a telephone bill with the same address and name as on the application
Current drivers licence or permit issued by state or territory or foreign government	Copy of a gas bill with the same address and name as on the application
Current identification card issued to a public sector employee	Copy of a rates bill with the same address and name as on the application
An identification card issued to a student at a tertiary education institution	Valid credit card
Pension or other social security benefit card	A document from column A not yet provided
Proof of age card issued by a state or territory, containing your photograph	Copy of a tax return letter from the Australian Taxation Office with the same address and name as on the application
A national identity card, containing your photograph, issued by a foreign government (either in English or accompanied by an English translation prepared by an accredited translator)	A letter from Centrelink or Department of Veterans' Affairs with the same address and name as on the application
Citizenship certificate issued by a foreign country (either in English or accompanied by an English translation prepared by an accredited translator)	

How the CPI affects your pension

On the first payday in January and July each year, we adjust your pension in line with the CPI.

The CPI takes into account a range of factors as set by the Australian Bureau of Statistics (ABS). This includes the price of food, clothing, housing, health and transportation.

Once the ABS releases the CPI figures, we can determine whether your pension is due for an increase. If the CPI rises and exceeds the previous September or March CPI figure (we use the highest CPI figure in this calculation), we increase your payment. If the CPI falls or stays the same, your pension will not change.

On payday 14 January 2009, your super pension increased because the September 2009 CPI figure exceeded the September 2008 CPI figure.

How the CPI is calculated

On 28 October 2009 the ABS announced a CPI figure of 168.6 for the September 2009 quarter. As this is higher than the September 2008 figure of 166.5, your pension will increase by 1.3%.

See below to understand how the increase was calculated:

$$\frac{(\text{September 2009 CPI figure}) - (\text{September 2008 CPI figure}) \times 100}{(\text{September 2008 CPI figure})} = \text{CPI}$$

$$\frac{(168.6 - 166.5) \times 100}{166.5} = 1.262\%$$
$$= 1.3\% \text{ (when rounded off to the nearest tenth of one percent)}$$

Therefore, on payday 14 January 2010, your super pension (which is subject to CPI increases) will be increased by 1.3%. If you would like more information about the CPI and how it's calculated, visit the ABS website at www.abs.gov.au.

Pensioner services online

One of the services we offer you is our **pensioner services online** facility.

You can use **pensioner services online** to view:

- > your personal information and update your details
- > your fortnightly pension payments
- > and print your CPI letter
- > PSS contact details.

Any changes you make to your details online will be applied instantly. You will receive a confirmation email to let you know your details have been updated.

You'll need an access number to use this service. If you don't have one, or you've misplaced it, call us on **1300 001 777** and we can give you one over the phone.

We want your feedback!

We measure our level of customer service by sending a survey each year to a random selection of pensioners. If we select you to participate, you will find a survey in your package. Please return the survey by 31 January 2010 in the reply paid envelope. For more information, call ORIMA Research on **1800 806 950** (free call).

If you don't receive a survey, but would like to give your feedback, call **1300 001 777** or email **pensions@pss.gov.au**.

You can also write to us at the address at the back of this **pension update**.

If you are not satisfied with our service, you can either ask to speak with a supervisor or talk with a complaints officer. Contact details for any complaints are at the back of this **pension update**.

If you are still dissatisfied with our response or we can't resolve your complaint within ninety days you can lodge a complaint with the Superannuation Complaints Tribunal (SCT) free of charge. The SCT is an independent organisation set up by the government to resolve complaints.

You can contact the SCT directly by:

Phone	1300 780 808
Fax	03 8635 5588
Email	info@sct.gov.au
Web	<u>www.sct.gov.au</u>
Post	Superannuation Complaints Tribunal Locked bag 3060 GPO Melbourne VIC 3001.

Do you need to update your address or banking details?

You can change your address or banking details at **pensioner services online** or contact us at the details on page six.

Any address changes made after 10 June 2010 will not be effective for the July 2010 CPI mail out. If you have changed your address and have not let us know by this date, please make sure you have a mail redirection in place to receive your July 2010 CPI pack.

Any bank or tax changes made after 10 June 2010 will not apply to your pension until payday 15 July 2010.

Useful contacts

Centrelink

Contact Centrelink for information about the Age Pension, Pensioner Concession Cards, Widow B Pension, Wife Pension, Commonwealth Seniors Health Card and its Financial Information Service.

www.centrelink.gov.au

Retirement Service 13 23 00

If you have a hearing impairment or have a speech impediment:

Voice and TTY 13 36 77

Voice and TTY 1800 555 677

Australian Tax Office (ATO)

The ATO can help you with questions about your super and tax.

www.ato.gov.au

Personal tax enquiries 13 28 61

Superannuation enquiries 13 10 20

Superannuated Commonwealth Officers' Association (SCOA)

SCOA is an independent, national organisation working for the benefit of Australians and their families, employed or retired, who have chosen the public service for all or part of their working lives.

www.scoa.asn.au

Postal address PO Box 107
Mawson ACT 2607

Phone 02 6286 7977

Fax 02 6286 7999

Email fedoffice@scoa.asn.au

Our contact details

Email pensions@pss.gov.au

Phone 1300 001 777*

TTY 02 6272 9827

Postal address PSS
PO BOX 22
Belconnen ACT 2616

Street address Unit 4
Cameron Offices
Chandler Street
Belconnen ACT 2616

Website www.pss.gov.au

* call from anywhere in Australia for the cost of a local call (mobile charges apply to mobile phones). You can call us between 9am and 5pm Australian Eastern Standard Time (AEST) Monday to Friday.

Complaints

Phone 02 6272 9081

Email complaints@pss.gov.au

Postal address Attention:
Complaints Officer
PO Box 22
Belconnen ACT 2616

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Australian Reward Investment Alliance (ARIA)
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