

## WELCOME TO PENSION UPDATE FOR JULY 2006

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### A SINGLE GOVERNANCE STRUCTURE

On 29 March 2006, the Minister for Finance and Administration introduced the *Superannuation Legislation Amendment (Trustee Board and other Measures) Bill 2006* into Parliament.

This will allow the PSS and CSS Boards to merge into a single Trustee entity (called Australian Reward Investment Alliance), creating a simplified, sustainable and more effective governance structure. There will not be any change to the three individual Schemes (the PSS, CSS and PSSap).

The simplification of the existing governance structure will deliver improved cost-efficiencies through consolidation of the PSS and CSS Boards

into a single Trustee and the use of a single investment Trust through which to manage the three separate Funds.

This information is correct at the time of writing, however, it is possible that by the time you receive this edition of Pension Update, this Bill will have been passed.

For more information, go to NEWS at [www.pss.gov.au](http://www.pss.gov.au)

### ARE YOU THINKING ABOUT RETURNING TO WORK?

Many pensioners ask us "What will happen to my PSS pension if I return to the workforce?". So, here is a quick summary of the effect on your PSS pension.

If you are receiving a PSS pension, your pension will not be affected by your return to the workforce. The important thing to keep in mind is that you can only claim the tax free threshold from one of your incomes: either your pension or your salary. You may wish to consult a licensed financial planner about this.

However, if you are receiving a PSS invalidity pension, your pension may be affected if you re-enter the workforce. If you are thinking about returning to the workforce, or have already done so, it is essential that you let us know by telephoning a Customer Service Officer on **1300 001 777** as soon as possible so that the effect on your invalidity pension can be determined.

### CLARIFICATION: SPOUSE ENTITLEMENTS

In the last Pension Update we included an article called 'What will happen to my pension when I die'. In the article we used the word 'may' when we referred to eligibility for spouse's benefits. This wording has resulted in some enquiries from pensioners who were concerned that their spouses may not be entitled to a spouse's benefit.

We used the word 'may' to reflect the fact that, whilst generally a spouse's pension will be paid where the pensioner and his or her spouse are living together in a 'marital relationship', there are nevertheless some circumstances where there may not be an automatic entitlement and additional information may be required to establish benefit eligibility.

Any misunderstanding that may have been caused by the use of this wording is regretted.

If you would like further information regarding spouse benefit entitlements, please refer to the Death Benefits Fact Sheet, which can be downloaded from [www.pss.gov.au](http://www.pss.gov.au) under FORMS AND PUBLICATIONS. Alternatively, you may wish to contact a Customer Service Representative on **1300 001 777**.

## WHAT INFORMATION WILL MY SPOUSE NEED TO PROVIDE WHEN A SPOUSE'S BENEFIT BECOMES PAYABLE?

Following on from the article in the January 2006 edition of Pension Update 'What will happen to my pension when I die?', there is certain information and documentation that an eligible spouse needs to provide to ensure that their application is complete.

The information and documentation to be provided is:

### 1. Tax File Number (TFN)

If your spouse does not provide his/her TFN we are required to deduct tax from your spouse's pension at the highest marginal tax rate. Providing a TFN is voluntary, however if your spouse wishes to avoid being taxed at the highest tax rate, he/she will need to provide TFN details when applying for a benefit. To assist your spouse in providing TFN details, we send out a TFN declaration form with the spouse application form for completion.

If your spouse does not have a TFN, he/she can apply for one by contacting the Australian Taxation Office (ATO) on **1300 720 092** or by obtaining a form (form number NAT 1432) from the ATO website at [www.ato.gov.au](http://www.ato.gov.au)

### 2. Current Account with an Australian Bank

Your spouse will need to provide details of his/her current account with an Australian bank. The account must have a six digit BSB (branch) number and an account number with no more than nine digits. Your spouse's name must be on the account.

If your spouse's account is a joint account with you, your bank may freeze the account when you die and then we will be unable to pay your spouse's benefit into that account. To ensure the benefit is paid, your spouse may have to open a new account in his/her name.

Please note we do not pay pensions directly into an overseas bank account. If your spouse wishes to have the benefit paid into an overseas account, he/she needs to make arrangements with the Australian bank to have the benefit paid into an account with that bank and then transferred into the overseas bank. Also, we do not pay spouse benefits by cheque unless your spouse has never resided in Australia.

### 3. Marriage Certificate

When applying for a spouse's benefit, your spouse will be required to provide a copy of your marriage certificate (if applicable).

### 4. Death Certificate

We also require a copy of the death certificate. However, your spouse does not have to wait until he/she has a copy of the death certificate before lodging the spouse application. Your spouse should lodge the benefit application and then provide the death certificate when it becomes available.

## HOW THE CONSUMER PRICE INDEX (CPI) IS CALCULATED

On the first payday in January and July each year, your pension is increased if there has been an upward movement in the Consumer Price Index (CPI) over the previous six months (either from March to September or September to March). The Australian Bureau of Statistics determines the CPI by surveying the costs of the following categories of goods and services: food, alcohol and tobacco, clothing and footwear, housing, household furnishings, supplies and services, health, transportation, communication, recreation, education and miscellaneous items.

Once we know the CPI number, we do a calculation (see below) to see if your pension is due for an increase. If the new CPI number exceeds the highest of any previous March and September CPI numbers, we increase your superannuation benefit.



## IF YOU ARE NOT SATISFIED WITH OUR SERVICE

We want you to be completely satisfied with our service, but if you feel you need to make a complaint just call us on **1300 001 777**. If you are not satisfied with the response, ask to speak to a supervisor. If you still feel the issue has not been explained or resolved to your satisfaction, ask to be transferred or contact the Complaints Officer directly:

**Telephone** 02 6272 9081  
**Facsimile** 02 6272 9804  
**Email** complaints@pss.gov.au  
**Post** The PSS Complaints Officer  
PO Box 22, BELCONNEN  
ACT 2616

The PSS also has a form to help people who have difficulty with the English language to register a complaint. You can get one of these by calling the Complaints Officer.

The Superannuation Complaints Tribunal (SCT) is an independent arbitrator set up by the Australian Government to resolve any complaints. You can lodge a complaint with the SCT free of charge if you are dissatisfied with our response or we cannot resolve your situation within 90 days.

**Telephone** 1300 780 808  
**Facsimile** 03 8635 5588  
**Email** info@sct.gov.au  
**Web** www.sct.gov.au  
**Post** Superannuation Complaints Tribunal  
Locked Bag 3060  
GPO MELBOURNE VIC 3001

On 26 April 2006 the Australian Bureau of Statistics announced a CPI change of 1.4% for the September 2005 to March 2006 period. To arrive at that figure, the following calculation was made: :

$$\frac{(\text{March 2006 CPI number}) - (\text{Sept. 2005 CPI number})}{(\text{Sept. 2005 CPI number})} \times 100 = \text{CPI change (Sept. to March. 2006)}$$

$$\frac{(151.9 - 149.8)}{149.8} \times 100 = 1.40186\% = 1.4\% \text{ (when rounded to the nearest tenth of one per cent)}$$

Thus, on payday 6 July 2006, your superannuation pension will be increased by 1.4%. If you would like more information about the CPI, go to [www.abs.gov.au](http://www.abs.gov.au)

## YOUR REFERENCE NUMBER

Your reference number and the superannuation scheme from which you receive your benefit are shown on the enclosed Pension Increase advice letter. Please quote your reference number whenever you contact us. It helps us to quickly identify you and speeds up your enquiry.

## LATEST DATE TO MAKE CHANGES TO YOUR BANKING DETAILS

We need seven days notice before the pension payday to make a change to your bank account details. For example, if you changed your bank account and you wanted it to take effect on payday 20 July 2006, you would need to tell us no later than 14 July 2006.

**But, whatever you do, don't close your existing account until your payments start going into your new account.**

## KEEPING YOUR ADDRESS UP-TO-DATE

It is **most** important that we have your correct residential and postal address. If your pension mail is uncollected it is likely to be returned to us. If two mail articles are returned to us, we will try to find a new address for you but if we can't, we may

stop your pension. To avoid any disruptions to your regular payments, **let us know if you change your residential or postal address.**

If you are planning to be away from home for an extended period of time, for example, if you are going on an overseas holiday, it is also a good idea to make sure your mail will be secure in your absence. A solution is to notify us of another address that your mail can be sent to while you are away, so that it is not returned to us, or left unsecured.

## WE APPRECIATE YOUR FEEDBACK

As this Pensioner Update is for you, our pensioners, we would like to receive your feedback on what you like or don't like about it. If there are any superannuation or pension administration matters that you would like to hear about, or if you have any suggestions on how to make your newsletter more interesting, please let us know.

Our contact details are:

Phone: 1300 001 777  
Email: [pensions@pss.gov.au](mailto:pensions@pss.gov.au)  
Mail: PSS, PO Box 22, Belconnen, ACT 2616



### HOW TO CONTACT US (SIMPLY CUT OUT AND KEEP IN A HANDY SPOT FOR WHEN YOU NEED US)

- Email:** If you are receiving a pension from PSS please use the following email address to contact us: **[pensions@pss.gov.au](mailto:pensions@pss.gov.au)**
- Phone:** You can dial **1300 001 777** from anywhere in Australia for the cost of a local call (mobile charges apply to mobile phones). We are available between 8.30 am and 5.00 pm Eastern Time Monday to Friday.  
Pensioners with a hearing impairment can use a special TTY facility: **(02) 6272 9827**
- Fax:** Enquiries can be sent by fax to **(02) 6272 9614**
- Postal address:** PSS, PO Box 22, Belconnen ACT 2616
- Street address:** Unit 4 Cameron Offices, Chandler Street, Belconnen, ACT 2617
- Web:** You can visit our website at **[www.pss.gov.au](http://www.pss.gov.au)**

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