

Pensioner News

Issue 1 January 2003

Introducing our new CEO



Leo Bator commenced as CEO of ComSuper on 5 August 2002.

He is married and has three sons. Prior to taking up his appointment he was Deputy Commissioner of Taxation. Leo was with the ATO

for 28 years. He spent the last 8 years in the Superannuation Business Line.

As Deputy Commissioner he had responsibility for the administration of the Superannuation Guarantee legislation, laws dealing with taxation of superannuation contributions, investment income and benefits and the superannuation surcharge. In addition he had responsibility for administration of the Reasonable Benefits Limits system, the Lost Members and Unclaimed Monies Register, the Superannuation Holding Accounts Reserve and a new regulatory role in relation to Self Managed Superannuation Funds.

Leo says that he really enjoyed the challenges of his previous role and believes that the skills and knowledge he built up are already helping him in his new role.

Leo believes that ComSuper is a very good administrator but it can be better by getting closer to Trustees and Members past and present. In that way we can develop services and approaches that are easier to deal with and which are more personalised to the needs of the individual.

Finally, Leo said that he would keep people informed through future editions of *Pensioner News* of how he proposes to go about delivering these improvements.

Evelyne Mann
Manager

Pensions Administration Section

Contribution from PSS/CSS Boards

Seeking wisdom from retired members

Having been there and done that, retired members have knowledge and experience which might be useful to current members, and now there is a way you can share what you have learnt.

For most Australians, superannuation is the second most important asset after the family home. Yet research shows that too many of us leave it very late to start thinking about our super and planning for retirement. This can have significant impact on the amount we will have in retirement.

To help members understand the importance of ensuring they have adequate funds for retirement, the Public Sector and Commonwealth Super Schemes (PSS/CSS) are inviting retired members to contribute to a 'Bank of Wisdom' for current members.

If you have a useful tip, no matter how big or small, which you think current members would benefit from knowing, you can deposit it in the 'Bank of Wisdom' via:

The Schemes' websites: www.pss.gov.au or www.css.gov.au and click on 'Member Feedback' on the top right hand corner of the home page and use the online feedback form, OR

Email: member.feedback@csb.gov.au
OR

Post: PSS/CSS Board Communications, GPO Box 1907, Canberra City, ACT 2601

You will be contacted by the PSS/CSS if your tip is going to be used, so please provide an email address, phone number or postal address with your contribution.

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Family law and your super

There are new arrangements for splitting superannuation assets in the event of a divorce. The new arrangements, due to come into effect on 28 December 2002, require superannuation benefits to be treated as property in the event of a marriage breakdown. A divorcing couple may either make a binding agreement on the division of superannuation assets, or the Family Court will include any superannuation assets as part of a property settlement. The new arrangements currently only apply to couples who are divorcing—not to those separating from de facto relationships nor the same sex couples.

If you are involved in divorce proceedings, you should seek financial and/or legal advice.

Things you need to know

January 2003 CPI rate

On the first payday in January and July each year, your pension is increased if there has been an upwards movement in the Consumer Price Index (CPI) over the previous 6 months (from March to September and September to March).

On 23 October 2002 the Australian Bureau of Statistics announced a CPI change of 1.4% for the March to September period. Thus, on payday 9 January 2003, your superannuation pension will be increased by 1.4%. A detailed calculation of the CPI rate can be found on your scheme's website (see back page).

CPI calculated on fortnightly rate of pension

As the CPI increase occurs twice a year it is more accurate to provide you with the new fortnightly rate rather than the annual amount. Commencing with this Pension Increase advice notice, we will only advise you of changes to your fortnightly rate of pension.

You may calculate the annualised amount by multiplying the new fortnightly rate by 26 (for DFRDB pensions the fortnightly amount is multiplied by 365 then divided by 14 to get an annualised amount).

Pro-rata CPI calculation

If you received your superannuation pension for less than 6 months your increase is proportionate. For example, if you received

your pension for three months, you will get half the full adjustment in January 2003 but the full adjustment in July 2003.

If your pension commenced on or before the 16th of the month you receive the CPI increase for that whole month. If your pension commenced after the 16th of the month, you do not get the CPI increase for that month.

CSS members receiving additional pension

If you are a former CSS member who purchased additional pension when you left the scheme, this part of your pension is not increased by CPI.

Your ComSuper reference number

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

Changing your bank details

It is important that you give us at least 7 days notice if you wish to make a change to the bank account into which your benefit is paid. For example, if you changed your bank account and you wanted it to take effect on 23 January 2003, you would need to tell us before 3.00 pm on 17 January 2003.

To ensure that payments continue, please don't close your existing bank account until your payments start going into your new bank account. Delayed payments may cause you hardship.

Changing your tax details

If you wish to make changes to your current tax arrangements you will need to complete a *Withholding Declaration* form and send it to ComSuper. The form is available from ComSuper (telephone 13 23 66) or from your scheme's website (see back page).

Changing your address

It is important that we have your correct residential and postal address at all times. A member's superannuation pension will be

suspended when two items of correspondence have been returned to ComSuper as undeliverable.

To avoid any disruptions to your regular payments please ensure that you advise us whenever you change either your residential or your postal address.

Children's benefits

If your pension includes a child's pension or if your children are receiving a pension from ComSuper in their own right, you are probably aware that these pensions are payable up to the time the child reaches the age of 16, or, if studying full-time, 25.

To avoid an overpayment of the pension, please advise ComSuper in writing when your child ceases full-time studies.

Frequently asked questions

Q: How much pension is my spouse entitled to in the event of my death?

A: That depends from which superannuation scheme you are receiving your pension.

In the CSS, PSS and MSBS superannuation schemes the spouse's rate of pension is 67% of the pensioner's entitlement at the date of death.

In the 1922 scheme the spouse's rate is either 67% or 54% (if the pensioner did not elect to pay additional contributions for the higher rate of 67%) of the pensioner's entitlement at the date of death.

In the DFRDB the spouse's rate of pension is 5/8ths of the pensioner's uncommuted amount at the date of death.

In the DFRB the spouse's rate of pension is 5/8ths of the pension payable to the pensioner at the date of death.

Q: Can you stop deducting tax from my pension?

A: ComSuper is obliged to deduct tax from your pension. We will cease your tax deductions when you provide written advice from the ATO, which directs ComSuper to reduce your tax to NIL, either on a temporary or permanent basis. If you are claiming the Senior Australians Tax Offset there may be no tax deducted from your pension.

If you wish to make any changes to your current tax arrangements you will need to complete a *Withholding Declaration* form. The form is available from ComSuper (telephone 13 23 66) or from your scheme's website (see back page).

Q: Will I get a student form automatically if my child turns 16?

A: The student review forms are sent out each January, just before the start of the new school year. If your child turns 16 during the school year please advise ComSuper one month before your child's birthday whether your child is studying on a full-time basis. This will enable us to continue to pay the child's pension.

We are in the process of setting up student review letters, which will be sent out automatically two months before the student turns 16.

Pensions Administration Section

Staff in the Pensions Administration Section (PAS) administer the fortnightly pension payments payable to retired members and to spouses and children of former members. These payments are made from the Consolidated Revenue fund, primarily by electronic transfer, directly to the recipient's bank account.

PAS staff maintain pension accounts in accordance with the service standards agreed between ComSuper and the Boards and the Authority. We are here to assist you to understand your superannuation entitlements and answer questions relating to your fortnightly superannuation pension payment, applicable taxation matters and reversionary benefits.



The Pensions Administration Section staff

How to contact us:

Call us on 13 23 66

You can dial **13 23 66** from anywhere in Australia for the cost of a local call (mobile charges apply to mobile phones).

We are available between 9:00 am and 5:00 pm Eastern Standard Time Monday to Friday (apart from 10:00 am to 11:00 am on the Thursdays alternate to pension payday).

When you ring 13 23 66 you are greeted with an introductory message that welcomes you to ComSuper. To be connected to an advisory officer you are asked to select from a menu of three choices:

PRESS 1—if you are receiving a pension or retirement pay from any scheme

PRESS 2—if you are a contributor or have a preserved benefit in the DFRDB or MSBS

PRESS 3—if you are a contributor or have a preserved benefit in the CSS or PSS

You don't have to listen to the list of choices or to the whole welcome message each time you ring. To shorten your call, as soon as the welcome message begins, PRESS 1.

Retired members with a hearing impairment can use a special **TTY facility: (02) 6272 9827**

Email us

If you are receiving a pension from the 1922 Scheme, CSS, PSS or Papua New Guinea Superannuation Scheme please use the following email address to contact us:

commonwealth.pensioners@comsuper.gov.au

If you are receiving a pension from the DFRB, DFRDB or MSBS please use the following email address to contact us:

military.pensioners@comsuper.gov.au

Fax your enquiry to **(02) 6272 9811**

Write to **ComSuper, PO Box 22, Belconnen ACT 2616**

Log on to your scheme's website:

www.pss.gov.au/pss/retired/index.html

www.css.gov.au/css/retired/index.html

www.militarysuper.gov.au/pages/retired.htm

www.dfrdb.gov.au/retired.htm

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