

Annuity News

April 2019 No. 99

G	government
S	superannuitants
A	association
Founded in 1920	



Featuring

News about your Association and what we are up to, as well as many other useful snippets

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PETITION: COST OF LIVING ADJUSTMENT GOVERNMENT SUPERANNUATION SCHEME: PRE-1985 RETIREES

Finance and Expenditure Select Committee consideration



We are being heard. On 5 December the Association had the opportunity to present to the Finance and Expenditure Committee and answer their questions as part of the process of having our concerns and recommendations considered by Government. GSA was represented by Janice Campbell (the petitioner and immediate past-President), Tony Hamilton (President) and Bill Robertson (Board), together with Bernie Rose and Maurice Sinclair from the Canterbury/Westland branch who have done so much work on this issue over the years. Approximately 20 other GSA members and office holders also attended as members of the public to listen in on the discussions.

The Association has provided additional information to the Select Committee since 5 December and we await further news following the parliamentary break over the Christmas/New Year period. Your Branch secretary will be advised as soon as we have more information

If you would like a copy of the accompanying submission, contact the Executive Officer gensec@gsa.org.nz and it will be emailed to you.

GSA's petition, presented by Janice Campbell and 3783 others:

That the House of Representatives pass legislation amending the Government Superannuation Fund Act 1956 to ensure all Government Superannuation Fund and National Provident Fund annuitants are treated consistently with regard to the annual cost of living adjustments being based on 100% indexation of the Consumers Price Index (CPI), as was the objective of the Government Superannuation Amendment Bill 2008.



STOP PRESS

You will be aware already of the impending increase in postage. From 1 July postage will increase by 8.3%, which is going to have budget consequences for us all, including GSA. Are you aware you can receive Annuity News and your Branch newsletter by email rather than post? If you would like to change to email let Karen Knobloch, our Office Manager, know by emailing her at national@gsa.org.nz, and she will change your record.

From the President



Dear members

Here we are well into the *GSA* year and it has been a busy time.

I would firstly like to thank the team who represented *GSA's* pre 1985 *COLA* case so ably to the Finance and Expenditure Select Committee. Bill Robertson presented the supporting argument and answered their questions expertly and with great clarity. The Committee Chair commented on the excellent level of support at the hearing. Thank you everyone there and those of you who signed the petition. We are awaiting the next step.

My sincere thanks go to all Branches for giving feedback relating to the non-election of a Vice President at Council 2018. After considerable discussion on the requested legal opinion and branch feedback, the Board has decided to appoint Dallas Elvy as Vice President. Thank you Dallas for agreeing to this until Council 2019. Bryan Whisker has been appointed to fill the consequential vacancy amongst the five elected members.

Board committees are working on Association priorities and I am confident about reporting progress at 2019 Council. A great deal of work is going into improving Association financial management, following concerns expressed at 2018 Council. This work is ably directed by Dallas Elvy with assistance from National Office staff. Branches now receive quarterly National Office financial reports against approved budget, greatly improving national transparency. The 2019 - 2020 budget has been approved and circulated to branches. Contact your Branch Secretary if you are interested in seeing a copy. An updated investment policy is in place, including the unchanged policy on branches holding reserves.

The 2017 Council meeting directed that the Board review the membership subscription rate and make recommendation to Council annually. The Finance committee and the Board is currently working on what will be presented to the 2019 Council meeting. Members will recall the Board recommendation to the 2018 Council, that there be no subscription increase for 2018-19, was agreed.

There has been considerable feedback regarding our rules, a great deal relating to the situation we found ourselves in re no election of a Vice President at the 2018 Council meeting. Currently the Board is considering possible rule changes for discussion at the Council meeting this year. Rule changes can be initiated from Branches and do not require approval from the Board to be put to a Council meeting. (Constitution s12).

I would like to thank all Branches for their supportive work in following up when the Board has requested feedback on a range of current issues. Branch *AGMs* are about to get under way. I would like to thank everyone who helps with branch activity, and there are many of you, some who have been doing this for countless years. To other members who have yet to get involved in the organising activity, I urge you to please join in. The work can be interesting as you become a vital cog within *GSA* as we all work to uphold the 'Objects of the Association'. (Constitution s2) Don't be shy, volunteer!

I look forward to seeing some of you at the Branch *AGMs* I will be attending during May and June. (Auckland, Canterbury / Westland, Gisborne, Hawkes Bay, Manawatu, Northland, South Canterbury, Southland, Waikato / King Country). Instructions from the Board are that the President should endeavour to visit every branch at least once during a two-year period.

Regards

A handwritten signature in blue ink, which appears to read 'Tony Hamilton'.

Tony Hamilton, President



Council 2019

Changed timing from previous years

This year's Council meeting is scheduled for 7-8 September. In the interest of cost saving the GSA Board has made the decision to change the Council start time from 9.30 on Saturday to 11am. This significantly reduces the number of delegates who need accommodation and meals on Friday night in order to arrive in time for the meeting start. Your branches are starting to prepare for Council participation and contribution now. Get in touch with your local Branch if you wish to know more or have key issues to raise.



GSA Board

Board elections are held at Annual Council, held in September each year. Current Board membership: **President:** Tony Hamilton (Northland), **Vice President:** Dallas Elvy (Wellington), **Elected Board Members:** Bill Robertson (Wellington), Mike Smith, (Wellington), Alan Straker (Marlborough), Marjorie Thomas (Hawkes Bay). **Appointed Member:** Rob Brangwin (Hawkes Bay), Bryan Whisker (Wellington).

Current Board priorities

- ensuring member issues and priorities are known and addressed;
- being alert for the next stage of Finance and Expenditure Committee consideration of the 100% COLA petition and the submission accompanying the petition (refer front page);
- significant work on achieving financial efficiency and sustainability. Initiatives since last year's Council meeting include the introduction of a new budgeting process, changes to Council meetings (as reported above), reducing the number of Board meetings each year and increased use of video -conferencing to reduce the need for travel;
- preparation of the Association's strategic plan for 2020 – 2023, for consideration at 2019 Council meeting in September. Your Branch has been asked for input into the review of the current plan. Get in touch with your Branch Secretary to have your say;
- continuing the recruitment strategy to encourage remaining contributors to the Government Superannuation Fund to join the Association (refer update on p5);
- continuation of futures planning to ensure an effective and viable organisation able to effectively represent member interests as member numbers continue to reduce;
- developing a more cohesive approach to Board liaison with branches and Branch support and assistance as required;
- oversight of centennial planning in readiness for 2020. This includes the GSA history publication and associated centennial activities.

The Board's work is advanced through sub-committee work in between Board meetings. Committee workplans and progress are reported to each Board meeting.

Useful information

There is a wealth of information on the Ministry of Social Development's Super Seniors website – refer <http://superseniors.msd.govt.nz/> From this site you can subscribe to their regular newsletter. Click on the link at the top of the website. The newsletter provides regular updates on a range of topics and very helpful practical information relevant to our membership.

Further afield, the International Longevity Centre is the UK's specialist think tank on the impact of longevity on society, and what happens next. "We believe society has to adapt now so we can all enjoy the benefits of longevity. We want a society that works for everyone, regardless of their age. We know the numbers. We know the challenges. What happens next will define us for generations." Their website <https://ilcuk.org.uk> provides a wealth of information in the following broad categories: Culture and Society, Finance and Wealth, Health and Care, Infrastructure (including housing and transport), Productivity. Established in 1997 the Centre is part of the International Longevity Centre Global Alliance - <http://www.ilc-alliance.org/> an international network on longevity. Take a look –well worth a delve.

The Government Superannuation Fund Authority (GSFA)

The Association continues to maintain a constructive relationship with the GSFA.

Our members who are receiving their annuity will have received a letter from Datacom in march advising the 2019 cpost of living increase of 1.89%, effective from 18 April.

Refer <http://www.gsfa.govt.nz/> for up to date GSFA information, including the Authority's most recent Annual Report for the year ended 30 June 2018. GSFA website, as well as other information available on the site.

Membership of the scheme continues to decline from the peak numbers in 2011 (at 30 June each year):

	Annuitants	Pre-annuitants
2011	46,839	13,433
2012	46,638	12,453
2013	46,568	11,464
2014	46,359	10,580
2015	45,967	9,767
2016	45,635	9,060
2017	45,279	8,356
2018	45,279	7,743

It is interesting to note where current contributors are working. When we last reported on these figures (in 2016) there were 5 current parliamentarians and in 2018 only 1. This has a bearing on parliamentary understanding about the scheme.

Breakdown of pre-annuitants		
	2016	2018
General scheme	9,298	7,376
Armed forces	133	123
Police	280	213
Prisons service	46	29
Judges & Solicitor General	5	1
Parliamentary	5	1

National Provident Fund

At 1 April Association members included 1707 National Provident Fund continuing contributors and annuitants (including spouses and surviving spouses). Of this number 1013 are annuitants.

While initially established as a private scheme in 1911, the National Provident Fund also became from 1914, "the main superannuation scheme for employees of local authorities (including city, borough and county councils, and harbour, road and electric-power boards); from 1926 nurses and clerical staff employed by hospital boards were also included. Later sub-schemes were established for farm workers, the Fire Service, Air New Zealand and National Airways Corporation pilots, and other groups." (from *Rewarding Service: A History of the Government Superannuation Fund* by Neil Atkinson, University of Otago Press in association with the Ministry for Culture and Heritage, 2002)

The NPF Defined Benefit Plan is one of 10 schemes operated by the NPF Trustees governed by the National Provident Fund Restructuring Act 1990.

The NPF schemes are governed by the NPF Trustees and annuities are government guaranteed. The NPF Trustees currently contract the administration of the scheme to Datacom Employer Services Ltd. For further information refer www.npf.co.nz.

Contact GSA for our assistance if you are a National Provident Fund contributor or annuitant with any specific issues or requests.

The Government Superannuation Appeals Board

The Government Superannuation Appeals Board was established under the Government Superannuation Fund Amendment Act 1995. The function of the Board is to hear and determine appeals arising from decisions made by the GSFA. Its members are appointed by the Minister of Finance and represent contributors, beneficiaries and employers. The GSA is prepared to support GSA members in their appeals if it is considered that the case is worth pursuing and that it is practicable to do so. Refer <https://gazette.govt.nz/notice/id/2018-go2353> for current Appeals Board membership. GSA is currently not represented, an issue being pursued with the Minister of Finance as we have been represented for many years.

Membership



As at 31 March this year GSA membership totaled 26,510, comprising 566 pre-annuitants, 451 pre-annuitant spouses, 14,175 annuitants, 7102 annuitant spouses, and 4216 surviving spouses.

Attracting pre-annuitants to join the Association continues to be a priority. Those working in education agencies represent a large percentage of these and are working on the most effective ways to reach these people to encourage them to join.

As a GSA member you can help with recruitment efforts in the following ways:

- promoting your branch activities within other organisations and occasions you are involved with;
- ensuring spouses/partners of members who die continue their membership in their own right for Association support and involvement;
- participating in your Branch activities to encourage local membership.

Help protect your annuity

**** Sign up your spouse ** Sign up a mate ** Sign up other annuitants ****

Apply online at gsa.org.nz or ask your branch secretary on 0800 888 472 to send an application form to a prospective member. The GSA subscription is \$2.00 four-weekly per annuity.

A couple sharing an annuity pays one subscription.



Government Superannuitants Association history project: update from historian Roger Openshaw

There has been continued excellent progress on the preparation of the history of the GSA, in readiness for the 2020 centenary. As reported in the last issue the proposed title of the manuscript is: *The Justice of Our Cause. A Centennial History of the Government Superannuitants' Association, 1920-2020.*

A virtually complete first draft of the GSA History was completed in November 2018 and provided to the Association Board in December. Copies of the draft were also subsequently distributed to various individuals for their perusal and critical comments. All of the readers selected were given until early March to provide feedback on the draft, and this feedback has been received and modifications made to the draft manuscript. The research process continues to fill remaining gaps. GSA are currently seeking a suitable publisher, for publication launch at 2020 Council.

The writing of GSA's History has been a difficult but rewarding challenge. As many will doubtless be aware, our Association has a long and proud history, stretching back to 1920. It is therefore vitally important that due recognition be given to the significant achievements of our many predecessors in championing the rights of government superannuitants, their spouses and families, often in very difficult circumstances. For this reason, the history seeks to give equal weight to each of the ten decades of our history. It also aims to achieve a balance between historical scholarship in its broadest sense, and readability. Regarding the latter, extensive use has therefore been made of relevant visual material such as cartoons and text boxes, with these being distributed throughout the text. An attempt has also been made to position the history of GSA within the wider context of superannuation issues, and the ongoing struggle for social justice which has been a significant feature of our country's development.

It remains for me, the author, to thank all those who have given of their time and expertise in facilitating this important project.

Roger Openshaw, Professor Emeritus, Massey University



Calling all pre-annuitants

At 31 March 2019, **566** of our members are yet to start drawing on their annuity. As you saw on page 4 there were **7,743** pre-annuitants in the scheme in 2018. We are keen to attract as many of these people to join the Association as we can, and to ensure our advice and services are relevant and valued by this younger cohort of members. We encourage those of you reading this publication, who know of pre-annuitants who are not yet aware of our Association, to join up. We welcome phone calls and emails from people who are interested and want to find out more before taking the step to join up.

Making the decision to change your pattern of work and maybe start drawing on your annuity

Are you aware that your annuity will be determined by either the average of your last five year's salary, or your final year salary whichever is the lesser? If you are contemplating taking a lower paid position before retirement, it is worth checking the provisions for preserving your higher salary. To do so, you will need to make a Former Higher Salary (FHS) election with Datacom within 3 months of the effective date of the reduction. (This does not apply to part time employment.). To start receiving your annuity you need to have a break in your employment. This can be with the same employer. Explore your options carefully by getting calculations from Datacom so you can see which financial options are best for you – whether or not you keep working - perhaps in different ways and with greater flexibility.

Another thing to be aware of is that the Government Superannuation Fund Authority has the right to determine what aspects of a contributor's remuneration can be deemed to be salary for superannuation purposes. For those of you with a combination of salary and allowances the deemed "superable salary" can come as a surprise at the time when final annuity payments are being calculated. We recommend that you check this out if you are in this situation.

Doing it differently

Many of you will be starting to consider your life and work options. You may not wish to stop working. You may be looking at options for working differently and establishing a different balance between work and the rest of your lives. Longevity, the potential to live longer and healthier lives, provides new and different options. Geoff Pearman in his book *Doing It Differently; Life And Work After 50* (Steele Roberts Aotearoa 2016) says longevity "has created a new life stage". This practical book is full of information and practical advice for people in this age group and employers about potential and possibilities to assist planning and enriching the workforce with the continued involvement of older workers.



PSA Holiday Homes

An Inexpensive Getaway for GSA members

The Public Service Association (PSA) has 41 holiday homes available in 8 locations: Whitianga, Rotorua, Ohakune and Raumati in the North Island; and Nelson, Carters Beach, Otematata and Te Anau in the South Island. Priced from \$57 to \$132 per night.

GSA members:

- can book three months in advance with a maximum of one unit per GSA member at any one time;
- need to provide their GSA number when booking;
- pay the same rates as PSA members.

GSA members **are not able to:**

- Book at peak times such as school holidays, long weekends or public holidays
- Enter the summer school holiday ballot

Book online: <https://www.psa.org.nz/psa-plus/holiday-homes/> or by phone: 0800 10 30 90 (Mon-Fri 8.30am to 4.30pm), or email enquiries to holidayhomes@psa.org.nz



Do not hesitate to contact National Office about any questions you have or things you are trying to work out.

These questions and answers below are based on a selection from previous issues of "Annuity News". A fuller version is now available on the GSA website.

Useful websites for finding out more:

Government Superannuation Fund: <http://www.gsfa.govt.nz/members/faq/>

Work and Income: <https://www.workandincome.govt.nz/eligibility/seniors/index.html>

Age Concern: https://www.ageconcern.org.nz/ACNZ_Public/Residential_Care_Common_Questions.aspx

GSA website: <http://www.gsa.org.nz/>

Q My spouse/partner has died. What do I need to do regarding their Government Superannuation?

A You need to do two things. Contact Datacom immediately on 0800 654731 or gsf@datacom.co.nz. Contact your GSA Branch and they will assist you with information and support.

Q Will my entitlements for Work and Income support be affected by the death of my spouse?

A This is a question for Work and Income. It is possible when your income is re-assessed following the death of your spouse that there may be an impact on your entitlement to support from MSD.

Q Is my Government Superannuation Fund considered a "personal superannuation" or "private pension" by Work and Income and Local Authorities and, if so, how will it impact on my eligibility for assistance (for example Disability Allowance, subsidies for St John's medical alarms, rates rebates)?

A Yes, your annuity is a "personal superannuation" or "private pension" and must be declared as income. Work and Income rules are that if you receive New Zealand Superannuation and a private pension, only half of your private pension counts as income. If you do not receive New Zealand Superannuation and you get a private pension, they must include the whole amount of your private pension as income.

The 50% rule comes into play only when a person is assessed as needing full time residential care. Medical alarms are funded by MSD through the Disability Allowance under a different interpretation of income in which the total income is taken into account. The **only** circumstances where the GSF Annuity is not required to be taken into account is for tax purposes.

Q My partner and I are not married and nor are we in a civil union. How can I protect my partner's entitlement should I pass on before they die?

A You do not have to be married or in a civil union for them to be entitled to a surviving spouse annuity should you die first. Datacom, on behalf of the GSFA will need to satisfy themselves of the nature of any relationship at the time of death.

Q I am one of your members, now residing in the United Kingdom. How am I impacted by "double taxation"?

A Information on the UK Government website will help you clarify your tax situation. Refer <https://www.gov.uk/tax-foreign-income/taxed-twice>. Information is provided as follows:

- There is a Personal Allowance for all those receiving income. Any income under £11,850 is tax free.
- There is provision for those who have paid tax on their foreign pension to claim the UK tax back. This can be done online, phone, or by post. Refer <https://www.gov.uk/government/organisations/hm-revenue-customs/contact/income-tax-enquiries-for-individuals-pensioners-and-employees#post-title>.

Postal Address: HM Revenue and Customs, Pay As You Earn and Self Assessment, HM Revenue and Customs, BX9 1AS, United Kingdom.



Are you prepared?

There is no time like now to do the personal planning we put off until another day.

If you don't have them already, request the following documents from your Branch Secretary:

"Retirement and Your Annuity": a guide for members, your spouse/annuity partner, and relatives. This booklet provides comprehensive information to assist your financial and estate planning.

"Personal data" booklet provides a template for you to record important information for your own reference and which may need to be known urgently by others during your absence from home if you are ill or die.

GSA Branch activities

For more information about meetings and social functions, see your branch newsletter, check out your branch web page, or **phone your branch secretary on 0800 888 472**.

We encourage you to get involved.

When you do nothing you feel overwhelmed and powerless. But when you get involved you feel the sense of hope and accomplishment that comes from knowing you are working to make things better. (Maya Angelou)

GSA website www.gsa.org.nz

The Association website provides an outline of the Government Superannuation Fund and National Provident Fund annuity schemes and the organisation

If you have suggestions about website content you would find useful, please email the Executive Officer.

The Association directory and national calendar and are available on the website.

Annuity Paydays

2019	2020
24 Jan	23 Jan
21 Feb	20 Feb
21 Mar	19 Mar
18 Apr	16 Apr
16 May	14 May
13 Jun	11 Jun
11 Jul	9 Jul
8 Aug	6 Aug
5 Sep	3 Sep
3 Oct	1 Oct
31 Oct	29 Oct
28 Nov	26 Nov
26 Dec	24 Dec

Branch Secretary

Auckland	Adrienne Dodge	auckland@gsa.org.nz
Bay of Plenty	Lesley Stanley	bayofplenty@gsa.org.nz
Canterbury Westland	Janine Lynn	cantwest@gsa.org.nz
Gisborne	Des Omundsen	gisborne@gsa.org.nz
Hawkes Bay	Deborah Renton-Green	hawbay@gsa.org.nz
Horowhenua Kapiti	appointment pending (your email will be answered)	horokapiti@gsa.org.nz
Lake Taupo	Colin Crowe	taupo@gsa.org.nz
Manawatu	Meg Vining	manawatu@gsa.org.nz
Marlborough	Colin Draper	marlborough@gsa.org.nz
Nelson	Margaret Palermo	nelson@gsa.org.nz
Northland	Rex Morris	northland@gsa.org.nz
Otago	Robert Morey	otago@gsa.org.nz
Rotorua	Valerie Dahl	rotorua@gsa.org.nz
South Canterbury	Warren Iggo	southcant@gsa.org.nz
Southland	Louise Craig	southland@gsa.org.nz
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Waikato King Country	John Evered	waikatokc@gsa.org.nz
Whanganui	Neil Elgar	wanganui@gsa.org.nz
Wellington	Jirayu Brennan	wellington@gsa.org.nz

Useful Contacts

GSA freephone

0800 888 472

Annuity administration:

Datacom (GSF): phone 0800 654731, or email gsf@datacom.co.nz

Datacom (NPF): phone 0800 628776 or email npfenquiries@datacom.co.nz

Do we have your correct details?

We do not know that your details have changed unless you tell us. Pick up the phone or drop us an email. Or go to the members' section of our web site at www.gsa.org.nz

Remember to tell Datacom!

Annuity News is published by

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