

Annuity News

April 2017 No. 95

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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It's Election Year Decision Time

"We are committed to ensuring older New Zealanders have the security, wellbeing, and respect they deserve. They've worked hard and should be able to enjoy their retirement with dignity."

"Our seniors must be treated with respect and not as a burden on society."

"We know our seniors have a valuable contribution to make to society through their experience and knowledge gained over the years. This should be viewed as a valuable resource to be utilised."

"Older New Zealanders built this country and deserve our respect."

"We value the skills, knowledge, and experience that older people contribute to their families and communities"

"We will support older New Zealanders to be fit and able—not only to contribute to the workforce and communities, but to enjoy their retirement in good health."

All the statements above were extracted from the policy documents of various NZ political parties. There is no need to identify the parties because the statements are all couched in the same language and mean very little without specific policy platforms to back them up. In the election this September, if policy affecting our senior citizens is a priority for you, you will have to delve a little deeper before you can make an informed decision.

NZ Super – The Age Debate

Up until very recently, none of our major parties were prepared to put their necks on the block and raise the question of increasing the age for NZ superannuation. However, Bill English has now stated that National will raise the qualifying age to 67 by 2040. (There will be at least seven General Elections before then, so don't make plans just yet). Labour and NZ First have both removed this issue from the discussion table. But, according to retirement Commissioner Diane Maxwell, *"We cannot maintain that current NZ Super settings are "affordable" without being clear about the future choices we have to make. We could make cutbacks in health? Law and order? Education? On roads? Or will we increase taxes?"*

One fact that is certain is that as the baby boomer generation completes the move from the workforce to retirement the number of recipients of NZ Super will grow exponentially while the number of taxpayers will dwindle. This is an issue for all of us, even after retirement. A change in the qualifying age will affect our children. Any changes to the provision of other government services or taxation to fund NZ Super will affect us all.

See Page 3 for information about the GSA Parliamentary Petition

From the President

Every now and then go away, have a little relaxation,
for when you come back to your work
your judgement will be surer;
since to remain constantly at work will cause you to lose power
of judgement

Go some distance away
because the work appears smaller and more of it can be taken at a glance,
and a lack of harmony or proportion
is more readily seen.

Leonardo DaVinci (d1519)



Dear All,

I used to read this poem at Assembly just before the holidays to give a bit of balance to the impatient and joyous departure vibes all around the hall. Let us hope some listened. It meant a lot more to me in Italy looking at Leonardo's paintings and sculptures. Thank goodness for the Teachers' Super I had to sign up to at 18, as part of the scholarship I had won. The past makes the present financially more secure with the chance to travel as well.

The future of the GSA is now a major preoccupation thanks to the Waikato King Country Branch's thought provoking paper, a copy of which has gone to all Branches. We urge you all to consider it and send comments to the Head Office where a working group is to be convened. We will use this activity as a chance to focus on our long-term future. Naturally, any changes in operations and budgeting will need to be approved by the GSA Council and may require eventually a revised constitution.

The Annuity News has details of our petition to the Select Committee one of our major advocacy projects at the moment. We need as many signatures as possible so do canvass widely in your branch. We want to do our utmost to help those unfairly denied the proper Cost of Living increases because of administrative confusion.

We put our advocacy skills to good use recently in support of a member whose remuneration comprised salary and allowances. We felt that the ruling on which elements of his remuneration counted towards his superannuation was very unfair so we supported his challenge to the Appeals Board. Our legal victory has brought justice for him and provides a precedent should other members have the same problem.

The debate about NZ Super and the age at which one might be eligible has become very politicised. All sorts of issues are interesting: the type of work one does, how physical it is; race and statistical life expectancy, the huge student loans; the enormous housing prices and mortgages; low term deposit interest rates; poverty, unemployment and under funding of health care. It will do NZ good to think about these major issues. We all need to think about them and talk to neighbours, social groups, bridge and church friends and especially to our family members.

Can we all cajole, persuade or bully the grandchildren into saving a little bit each week beyond Kiwi Saver for their old age?

Hope the winter goes well for all of you.
Kind regards,

A handwritten signature in black ink that reads "Janice Campbell". The signature is written in a cursive, flowing style.

Janice Campbell
President



GSA Advocacy Effort without reward

Once again, there is little to report on the advocacy front. Our attempts to gain access to Ministers continues to be thwarted. The current Government line is that the issues we wish to raise are no longer issues, having all been dealt with correctly and appropriately in the past. We need a significant change in the political landscape if we are to be heard. Or, we can take the final option open to us

100% CoLA - The GSA Petition Support our most vulnerable members

We continue to wrestle with the unfair treatment of pre-1985 retirees on the 100% Cost of Living Adjustment issue. We have reached the point where we believe that we have exhausted all avenues except one, and that is a Parliamentary Petition. The 2016 Council endorsed the Board's recommendation that we go down this route.



Since 1922 Government Superannuation annuities have had a cost of living allowance. This allowance was left behind in the 1950-1960s and Government Superannuitants were badly disadvantaged by inflation during that time. In 1969 the government agreed to an annual cost of living adjustment (CoLA) of 60% of the CPI. The Act was amended with the introduction of a formula that calculated the annual adjustment. In 1974 the government raised the level of the CoLA to 70% of the CPI using the same formula. Similarly, the CoLA was raised to 80% in 1985, again using the same formula to calculate the adjustment.

In 2005 the government decided to increase the CoLA to 90% with effect from July 2006. This applied to those who were retired on the scheme which existed until 1985. At the time of the 2006 adjustment the then Minister of Finance (Dr Michael Cullen) agreed that there would be a further step raising the CoLA to 100% at some time in the future. The 2006 adjustment to 90% continued to use the same formula.

In 2009 the government agreed to raise the CoLA to 100%. However, on this occasion the Act was amended and a new formula was inserted. The net effect of this change was that those annuitants who retired before 1985 did not receive the increase that was expected, most ending up receiving only 90.1% - 90.4% of the 100% indexed annuity being received by all other annuitants. This affects some 7,000 annuitants, most of whom are now elderly, and a high proportion of whom are widows.

The GSA has prepared a petition which we intend to present as soon as Parliament sits after the General Election.

Our petition seeks:

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, as was the objective of the Government Superannuation Fund Amendment Bill 2008.

Included with this Annuity News is a Petition Signature Page. We encourage you to sign this page and return it to National Office (Freepost 71086, Government Superannuitants Association, PO Box 11993, Wellington 6142).

If you can convince others to sign this page, please do so. They do not have to be GSA members.



Employer's Contribution.

Who pays?

Members will be aware that in 2015 we conducted a survey of our Pre-Annuitant members about how their remuneration was being packaged with respect to payment of the employers' contributions to their superannuation schemes. The results of the survey showed a broad diversity in the way employees are being treated across the public sector. The legal advice we received suggested that we would be unable to advocate on behalf of the group as a whole. We also noted that a case which had gone to court in 1995 has established that it is acceptable for an employer to include the employer's contribution in a total remuneration package provided the arrangement is included in an agreement between both parties.

We have, however, recently noted a case where we believe that the employee is being unfairly treated in this respect and that this employee may have grounds for complaint. Let's call the employee Stuart. Stuart was employed on a total remuneration package which included a base salary plus an additional fixed percentage identified as being the employer's contribution at the time. The intent, clearly, was to include the employer's contribution in Stuart's remuneration package, however, the employer chose to compensate him the equivalent sum. The employment agreement was silent on the question of movement in the employer's contribution. Meanwhile, the employer's contribution has, over time, increased significantly. This increase has been applied to Stuart's remuneration without an equivalent increase in salary to compensate. His base salary is now adversely affected by the difference between the old and the current employer's contribution rate.

There are two important implications here. Firstly, Stuart has effectively received a reduction in base salary since being employed. Secondly, because the employer's contribution is not counted as part of salary, this lost salary component will not count towards Stuart's final salary when it is time to calculate his retirement annuity.

It is our view that the original intent when Stuart was employed was that his remuneration package would contain an element that equated to the employer's contribution, in order to preserve his base salary. We believe that as the employer's contribution has moved (upwards in this case) so too should this compensatory element. Instead, we have seen an erosion of Stuart's base salary.

Another apparent anomaly that we have noted is that Stuart is also not eligible for any KiwiSaver contributions from the employer, should he opt to join, because the law exempts employers from contributing to more than one superannuation scheme. The law also prohibits the inclusion of KiwiSaver contributions in total remuneration packages without the approval of the individual employee. Thus, Stuart works alongside colleagues who receive their base salary in full and also gain the additional benefit of their employer's contribution to KiwiSaver. We believe that this is not an equitable situation.

Stuart's case is currently undergoing mediation.



Thinking of Retiring Overseas? Payment to Overseas Bank Account.

The Datacom web site provides the following important information.

If you elect to become a permanent resident overseas, it may be possible for you to have your allowance paid into an overseas bank account. Please contact Datacom GSF Schemes Administration if you require more information. Please note - a fee of \$5.00 for each four weekly payment processed is charged when the annuity is paid into an Australian bank account and \$15.00 when paid into a bank account in other countries.

Datacom GSF Schemes Administration should be notified of any change to your address as a certificate requiring confirmation of the member's whereabouts is sent annually to all members in receipt of an annuity who are resident overseas. Failure to return the certificate will result in suspension of the allowance.



2017 Annual Cost of living adjustment (CoLA) CPI, HLPI, and the Pensioner

The CPI movement for the year ending December 2016 was 1.3%. This means that most of us will receive a CoLA adjustment of 1.4% commencing in April this year. This comprises the 1.3% adjustment for the December 2016 year plus the 0.1% carried over from the December 2015 year. Those few members who did receive an adjustment in 2016 will receive the 1.3% only.

Quarterly change In the December 2016 quarter compared with the September 2016 quarter:

- The consumers price index (CPI) rose 0.4 percent (up 0.7 with seasonal adjustment).
- Transport prices rose 3.7 percent, influenced by higher petrol and air transport prices.
- Housing-related prices rose – purchase of new housing, excluding land, was up 1.4 percent.
- Vegetable prices fell 15 percent (up 3.0 percent after seasonal adjustment).

Annual change

From the December 2015 quarter to the December 2016 quarter:

- The CPI inflation rate was 1.3 percent.
- Housing and household utilities increased 3.3 percent.
- Transport prices decreased 1.0 percent.
- Tradable prices decreased 0.1 percent, while prices for non-tradables increased 2.4 percent.

The average price of 1 litre of 91 octane petrol was \$1.82 in the December 2016 quarter, up from \$1.75 in the September 2016 quarter.

The CPI measures the rate of price change of goods and services purchased by New Zealand households. Statistics NZ visits 2,800 shops around New Zealand to collect prices for the CPI and check product sizes and features. Statistics NZ uses the price movement of the “basket of goods” containing over 700 items to calculate CPI movement. This is a broad-brush approach which is not specific to any particular demographic group. The CPI has been a fundamental element of NZ economic planning and forecasting for many years. It is unlikely that the system could be changed easily even though the CPI may not fairly represent all demographic groups.

HLPI

Statistics NZ does, however, employ another means of measuring inflation called the Household Living-cost Price Indexes (HLPI). This method divides the population into several demographic groups (see box) and looks at the movement of the cost of living as a proportion of expenditure. The group that would be of most interest to the GSA is the Superannuitant group. While this group comprises those whose primary income is NZ Superannuation, it is likely that expenditure patterns for this group will be very similar to those of most of our members.

Nevertheless, although many of our members would have been similarly disadvantaged, especially those with small GSF/NPF annuities, it could be argued that those with larger annuities should more appropriately be included in one of the other income groups. It is unlikely that GSF/NPF annuitants would match the profile of the median Superannuitant as defined for the HLPI as having a median household income of \$33,168 in 2013. This is very close to the couple rate for New Zealand Super with no other income.

The figures show clearly that over the past eight years, superannuitants have experienced the highest rate of inflation, 19% compared with the all-household figure of 13%. Because the CPI is an average of all inflation figures, the elderly appear to have been disadvantaged.

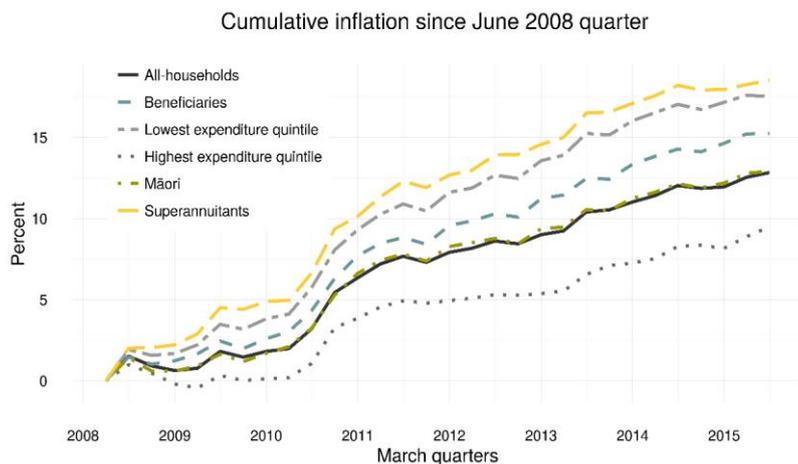
What are HLPis?

Household living-costs price indexes (HLPis) provide new insights into the inflation experienced by 13 different household groups:

- beneficiaries
- Māori
- income quintiles (five groups)
- expenditure quintiles (five groups)
- superannuitants.

For more information, visit the Statistics NZ web site <http://www.stats.govt.nz>

This trend has continued, with beneficiaries and low-spending households experiencing the highest inflation over the past year, according to Statistics NZ. From the December 2015 quarter to the December 2016 quarter their overall costs increased 1.4 percent. This was more than double the rate of inflation experienced by New Zealand's highest spenders (up 0.6 percent).



Source: Statistics NZ

Higher costs for rent, and cigarettes and tobacco, had a greater effect on lower-spending households. Rent was up 2 percent this year, with the largest increases being observed in Auckland.

The only group ahead of the game is the highest expenditure group, which is not likely to contain too many GSF/NPF annuitants, but may well contain some.

Because the annual CoLA is based on CPI, we could possibly argue that it would be more appropriate for CoLA to be based on the HLPI. But this would be a difficult argument as not all annuitants fit neatly into the one HLPI group, and any changes may disadvantage some members.



The Government Superannuation Fund Some useful snippets

As of 30 June 2016 the Fund now has assets worth just under \$4 billion, a small decrease from 2015. The fund did not enjoy a great year for investment, with a return of 2.1%. Over the immediate three years, including this one, the investment return has averaged 9.8%.

During the 2015/16 year the GSFA received \$757 million in contributions, down from \$777 million the previous year. Benefits paid were \$871 million, down from \$877 million. This trend of reducing contributions and reducing payments will continue as contributors to the scheme retire and become annuitants, but not at a rate sufficient to balance the natural attrition of annuitants.

At the end of June 2016 there were 9,060 current contributors, down 707 from the previous June. Annuitants were 45,635, down 332 from the previous year. Total membership of the GSF scheme was 59,203, a drop of 1,358 over the year. Membership of the scheme peaked in 2011 and can now only decline.

National Provident Fund Pension Scheme

The NPF is a much smaller fund, with assets as at 31 March 2016 of some \$323 million (up by \$3 million over the previous year). Membership of this scheme was 6,739, down by over 300 from the previous year.

GSF Is not the New Zealand Superannuation Fund

Recent publicity about the salary increase for the Chief Executive of the New Zealand Superannuation Fund has excited one or two members who appear to not understand the difference between the NZ Superannuation Fund and the Government Superannuation Fund. The former is the fund set up to meet the costs of the universally provided NZ Superannuation (formerly National Superannuation, or the "old age pension"). The latter is the fund administered by the Government Superannuation Fund Authority (GSFA) to fund the payment of the annuities provided to government employees who contributed to the GSF through their working lives. They are quite separate entities and they are managed by different organisations. The NZ Super Fund is managed by the Guardians of New Zealand Superannuation, an Auckland-based Crown entity. The GSF is managed by the GSFA in Wellington.

Mount Erebus National Memorial Project

A project has been set up to provide a memorial where all 257 names of those who died in the 1979 accident can be displayed together. The project Patron is Lady June Hillary. You can read about this project online at www.erebusnationalmemorial.nz The project is currently looking for relatives – those with direct family links to the accident. Relatives can register their details on the web site.



Spouses and Partners the “significant other”

Spouses and partners play a very important role in the lives of the annuitant. This section is briefly devoted to them.

Firstly, of course, most annuitants are aware that their spouse or partner is entitled to a proportion of the annuity when an annuitant dies. That proportion is 50% for any relationship with more than five years standing. The proportion reduces by 10% for each year less than five. This entitlement exists where an annuitant and spouse/partner were living in a normal relationship at the time of the death of the annuitant. This definition covers relationships ranging from marriage, to de facto or common law relationships, and it includes same sex relationships. Provided that the surviving spouse/partner can prove the existence of an enduring relationship, this entitlement exists. Datacom staff are very used to dealing with this situation and can be very helpful. (See also the following section on Relationship Property Agreements).

We have, for a number of years now, encouraged spouses/partners to join the GSA. This can be done at no extra cost. We simply note the details on the annuitant’s records and the spouse/partner becomes a full member of the GSA with all the rights that this entails. Spouses and partners are encouraged to join and participate in the activities of the Association, including all social activities, and (please note) joining Branch Committees and seeking election to the Board.

There is also another advantage to spouses and partners who join the GSA. It means that we know they exist. When an annuitant dies, if we have a spouse/partner on our records we change that individual’s category from “member” to “pending”. This immediately alerts Datacom to the existence of the spouse or partner so that Datacom can commence the process of ensuring that future entitlements are sorted out promptly. The GSA will hold that individual as “pending” until we have received notification that the survivor’s annuity has commenced and a new annuity number has been allocated.

The Navy has a custom known as the “toast of the day” which is offered after dinner, depending on the day of the week. The toast of the day for Saturday is “Wives and Sweethearts”. Which attracts the usual refrain of “may they never meet.”

Please note that Datacom will give the surviving spouse/partner the option, by letter, of remaining in the GSA because the membership subscription needs to be transferred to the new annuity. If the surviving spouse/partner does not respond to this letter no subscription will be deducted from the annuity and full membership of the GSA will not be restored.

We occasionally have situations where both spouses or partners are members of the GSF or NPF and there is a decision to make about membership. While both individuals can become members of the GSA in their own right, this will mean that they will both pay a subscription. The alternative is for one individual to be the spouse/partner of the other, meaning that both become members for the price of one.



Property (Relationship) Agreements

We occasionally receive enquiries from members that relate to Property (Relationship) Agreements (or matrimonial property agreements). Usually these agreements are formulated in the context of separation and divorce. Often, these agreements will include a sharing arrangement for a GSF annuity. Unfortunately, it is apparent that not all parties are aware of just what the agreement means, particularly on the death of the annuitant.

The important thing to remember is that a sharing arrangement under a relationship property agreement is between two living people. When one of those people dies, the sharing arrangement ends. So, where an annuitant signs an agreement to share 50% of an annuity with an ex-wife (for example), payment to the ex-wife will cease when the annuitant dies. Similarly, if the ex-wife dies, payment of the full annuity reverts to the annuitant.

Also, and this is critical, because there is usually separation or divorce involved, the couple can no longer be said to be living in a normal relationship. In this case, the ex-wife would not be entitled to receive a spouse or partner

entitlement on the death of the annuitant (usually 50% of the annuity being paid to the annuitant). In fact, should the annuitant be in a new relationship at the time of death, the new spouse or partner may be entitled to up to 50% (depending on the duration of the relationship) of the total annuity which includes the portion previously paid to the ex-wife.

This differs in a very important aspect from an Assignment. An Assignment is an enduring arrangement which lasts for the life times of the annuitant and the person to whom part of the annuity is assigned. The death of the annuitant has no bearing on the Assignment. So, in the example above, had the annuitant assigned 50% of his annuity to his ex-wife she would continue to receive that 50% for life. A new spouse or partner would receive up to half of the 50% being received by the annuitant at the date of death, meaning that she would receive up to 25% of the original annuity. If the ex-wife dies no amount reverts to the annuitant.

Members do not need to enter into a Property (Relationship) Agreement in order to make an Assignment but it should be noted that whereas a sharing arrangement can be altered or cancelled as a result of a new Property (Relationship) Agreement, an Assignment once in place cannot be changed.

The GSA makes no recommendations regarding arrangements like these. However, we do believe that all parties should be aware of the implications, particularly on death, before entering an agreement.



Happy Birthday, Seniors Looking after our oldest.

We know that some branches make a special effort identifying the birthdays of their more senior members. Of course, this can only happen if your birthday is on our database, so let your branch secretary know when the magic date is, or go online and update your details.

One branch which does something special is Auckland. As the Auckland Branch Secretary, Adrienne Dodge, explains:

“Each week Murray McElwain of the Auckland Branch posts out birthday cards to the members and/or spouses/partners of the branch who are turning 80 years of age or older during the following week - if we have their birth dates on file. If these members are turning 80, 85, 90 or 95 they also receive a nice roller pen with the words GSA Government Superannuitants Association in gold print on it, and for those reaching 100 a telephone call is made and if the member is open to a visit, two of the committee arrange to call in and see them. The committee members take with them the birthday card and pen and also a CD with a varied genre of music on it from the 1930's to the current day.”

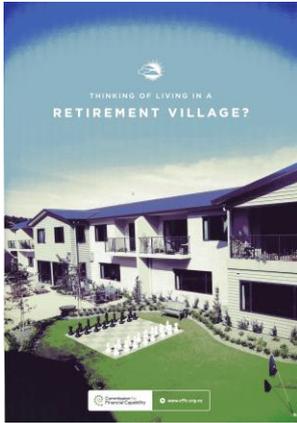
Adrienne says, “Until I took over the organisation of this initiative I never really understood how much it means to people to receive an acknowledgement of their birthdays. For many, these cards and/or gifts are the only recognition of their birthday that a number of our members receive. It is lovely to have these members phone me and to have a chat with them about their birthday among other things”.

Well done Auckland.

Perhaps this is something you can get involved in for the seniors in your area.

Have you been invited to join the GSA Again?

If you received copy of our latest recruiting pamphlet in the mail recently and you are already a member, please do not worry. We haven't lost you. Datacom sends our pamphlet with their CoLA notice to all those GSF annuitants who they do not have on their records as GSA members. They only have a record of those GSA members who pay their subscription by direct deduction from their annuity. Datacom does not have any record of the GSA members who pay annually. We apologise for any inconvenience. The only solution is to change to regular deduction.



Useful Publications

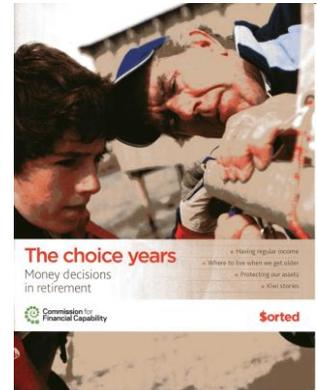
From time to time we come across publications which we think may be useful to our members. Here are a few.

We have already mentioned the Commission for Financial Capability (CFFC) booklet on *'Thinking of Living in a Retirement Village'* previously in Annuity News. This 43 page publication provides you with everything you need to know if you are contemplating the possibility of moving into a retirement village. It is an extremely informative read, and it will leave the reader very well informed on this very important, and sometimes difficult, decision-making

process.

Equally useful is the CFFC booklet *'The Choice Years'*. This publication is an introduction to thinking about money decisions in retirement. It covers issues like regular income, where to live, protecting assets, with some real-life examples.

Also on the CFFC list of things to read are a number of smaller booklets about money matters covering subjects such as saving, investing, KiwiSaver, and debt.



The **Commission for Financial Capability (CFFC)** is a Government funded agency which is tasked primarily with providing financial education and carrying out regular reviews of retirement income policy. The Commission aims to ensure that New Zealanders are better educated and motivated to make informed financial decisions throughout their lives. The Commission web site <http://www.cffc.org.nz> contains a wealth of useful information for New Zealanders of all ages. – not just for retirees, but also for the next generations contemplating how they can secure a comfortable retirement.

Other Government Departments and agencies also provide very useful information booklets on a wide range of subjects. For example, the Ministry of Justice can help with information on relationship property and legal aid, among many subjects. Check out <http://www.justice.govt.nz>

Work and Income also provide booklets on a variety of useful matters. Did you know that they produce a cookbook? Check out **The Great Little Cookbook** at <https://www.workandincome.govt.nz/documents/on-a-benefit/the-great-little-cookbook.pdf>



The Veteran's Affairs web site also has some very useful information that could be of interest to some GSA members.

The Ministry of Social Development's Senior Services

MSD has moved most of the information from its website to the Seniors pages in the Work and Income website. This is where most people now go for information on NZ Super and Veteran's Pension. It's also easier to use and works well with mobile phones and tablets. You can also apply online for NZ Super and Veteran's Pension and access other online tools from the Work and Income website.

For all the latest information about: New Zealand Superannuation (NZ Super), Veteran's Pension, overseas pensions, other benefits and payments you might be able to get, and, community groups and organisations that may be able to help you, go to <https://www.workandincome.govt.nz/eligibility/seniors/index.html>



Membership and Recruiting 2016 was a very good year

The following table shows membership numbers as of the end of March for the past five years. Because the figures are for the end of March they do not show the peak of over 28,400 in mid-2016 following our very successful recruiting campaign. Since then however, apart from a small increase in pre-annuitant numbers, attrition is once again a factor.

	2013	2014	2015	2016	2017
Annuitants	14,920	15,913	15,221	14,441	15,366
Annuitants Spouse	5,546	6,459	6,720	6,712	7,432
Surviving Spouse	4,354	4,734	4,617	4,523	4,466
Pre-Annuitant	622	602	514	449	402
Pre-Annuitant Spouse	462	460	407	354	310
Total	25,904	28,168	27,479	26,479	27,976

Note that the high in 2014 was the result of the transfer of our Railways members to the GSA. We will continue to pursue new members and we will certainly be conducting another mail-out to non-members in March this year. It is unlikely that this year's campaign will achieve the same success as the 2016 campaign which attracted over 1,300 new annuitants and 800 spouse members, unless we can get many of those not attracted last year to change their minds.



Identity Theft Beware

What can seniors do to protect themselves from identity theft? Each year many people, often older folk, fall victim to identity theft, which happens when someone gets access to your identifying information and uses it to steal from you. Here are some steps you can take to reduce your risks.

- **Guard your personal information:** Never give your credit card number, or bank account numbers to anyone unless you initiate the contact.
- **Use strong passwords:** Make sure your computer passwords are more than 8 characters long, with uppercase and lowercase letters, numbers, and use different passwords on different accounts.
- **Be wary of unknown emails:** Never click on links in emails from strangers, or those that claim to be from the IRD or other government agencies, or from your bank, phone or credit card company warning of a "problem." This can result in identity-stealing malware being installed on your computer. Install antivirus software.
- **Secure your mail:** Empty your home mailbox quickly or buy a locked mailbox to deter thieves.
- **Get safer credit cards:** If you don't already have one, get a chip credit card from your credit card provider. They're much more difficult for fraudsters to hack.
- **Shred or destroy unneeded documents:** Shred or otherwise destroy all records, receipts, statements, or other papers that have your financial or personal information.
- **Monitor your accounts:** Review your monthly bank and credit card statements carefully.
- **Keep your Phone Secure:** Make sure that you utilise the phone's security settings. Some of the latest phones have gone to 6 digit PINs and fingerprint recognition.

Sound Familiar? A member has recently told us that his wife received a phone call from someone who sounded extremely genuine claiming to be calling from their bank. The caller indicated that the bank was concerned about some unusual transactions and invited the member's wife to go on line and check the accounts. The wife became suspicious and told the caller that she did not do the banking and that she would have to wait until her husband was home. At this point the caller became more insistent stating that the wife should go on line because the process was simple and would not take long. She insisted that the matter would have to wait until her husband was home and that if the caller provided his name and number her husband would call him later. The caller hung up. This is a simple case of a scammer trying to gain access to the member's banking details. Remember, your bank will **never** telephone you like this.



Questions and Answers

At National Office we field many enquiries by email, phone, and by letter. Often we think the issues we are asked about might be of interest to a wider audience. Remember, however, many issues are not black and white and answers may vary with the circumstances. This past few months have been relatively quiet on the Q&A front and some of our bigger issues are already covered in this publication. However, here is a selection of recent questions.

Q. *How much of my annuity will be counted when I apply for a residential care subsidy?*

A. This is a frequently asked question and it can be confusing. Many annuitants believe that because their annuity is exempt tax this exemption also applies elsewhere. It does not. The Work and Income web site provides the explanation. It makes it quite clear that when an assessment of income is made for the purposes of a residential care subsidy, income includes 50% of private superannuation payments. GSF and NPF payments are included in this category. This subject is also well covered by Age Concern on their website (visit: https://www.ageconcern.org.nz/ACNZ_Public/Residential_Care_Common_Questions.aspx)

Q. *I will have leave owing when I retire. Should this be included in my service?*

A. The answer for this one comes straight from the GSFA Frequently Asked Questions booklet. Any leave taken prior to the last day of employment will be included in the contributory service used to determine your retiring allowance. The earliest your entitlement can come into payment is the day after your last date of employment in Government service. Because of annual leave, your last day of employment may not be the same as your last day at work.

This question is often asked by members about to retire who wish to know whether they should continue to contribute to the GSF during periods of long service leave. The answer will vary from case to case, but members should have a close look at the financials. Examine just how much difference these extra contributions will make to your final annuity and whether this outweighs the option of starting your annuity as soon as possible and taking your outstanding leave as a lump sum.

Q. *I have been married to my wife for three years however, we lived together for a few years before that. Could you tell me what evidence, other than bank statements we would need to supply to establish the existence of the relationship prior to our getting married.*

A. The GSFA states that in assessing the existence of a relationship, they refer to The Property Relationships Act 1976 Section 2D, which states:

In determining whether 2 persons live together as a couple, all the circumstances of the relationship are to be taken into account, including any of the following matters that are relevant in a particular case:

- (a) the duration of the relationship;
- (b) the nature and extent of common residence;
- (c) whether or not a sexual relationship exists;
- (d) the degree of financial dependence or interdependence, and any arrangements for financial support, between the parties;
- (e) the ownership, use, and acquisition of property;
- (f) the degree of mutual commitment to a shared life;
- (g) the care and support of children;
- (h) the performance of household duties;
- (i) the reputation and public aspects of the relationship.

This does not specifically answer the member's question, and it cannot as individual circumstances differ widely. However, a simple answer would be to have available as much documentation as you can that shows the nature and the duration of your relationship, and be prepared to answer some personal questions. Remember, Datacom and GSFA are only interested in this information at the time of the death of the annuitant.

Board Appointments

New Members

In addition to the elected members notified in our last Annuity News, the Board is now at full complement with the appointment of Winston Grantham (Lake Taupo) and Rob Brangwin (Hawkes Bay) as Appointed Members in accordance with paragraph 8.2 of the GSA Constitution.

Administration

Branch Annual General Meetings – happening in your area soon.

Members meet annually to consider their branch committee's account of the year's activities and to elect the committee for the following year. This is an opportunity to raise any matter you wish with fellow members or discuss any matter with the GSA Board member. A Board member will normally be present at your meeting.

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

Auckland	Adrienne Dodge	auckland@gsa.org.nz
Bay of Plenty	Jim Forrest	bayofplenty@gsa.org.nz
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Gisborne	Des Omundsen	gisborne@gsa.org.nz
Hawkes Bay	Yvonne Whittle	hawbay@gsa.org.nz
Horowhenua Kapiti	Paul Gardner	horo.kapiti@gsa.org.nz
Lake Taupo	Colin Crowe	taupo@gsa.org.nz
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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	Bruce Scott	rotorua@gsa.org.nz
South Canterbury	Warren Iggo	southcant@gsa.org.nz
Southland	Louise Craig	southland@gsa.org.nz
Taranaki	Doreen McCaffrey	taranaki@gsa.org.nz
Waikato King Country	John Evered	waikatokc@gsa.org.nz
Wanganui	Nola Crawford	wanganui@gsa.org.nz
Wellington	Maggie Lee	wellington@gsa.org.nz

Do we have your correct details?

Remember, 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!

Other Useful Contacts

For annuity administration:

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

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

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