

Annuity News

October 2015 No 92

G	government
S	superannuitants
A	association



Featuring

Updates from Council • News about our current activity • Members' Questions and Answers and many other useful snippets

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Changed Your Address? Have you told Datacom?

We regularly receive urgent calls from members whose annuity has been stopped. Almost without fail the reason is that the member has changed their address without advising Datacom. We have mentioned this before, but it is worth repeating. Datacom has an obligation to ensure that the annuities are paid to real people. Simply having bank account details is not enough. Periodically they test the system, the only way they can. They do a mail out to members. When they get mail returned with no forwarding address they will try to find a new address, often by contacting us. If that fails they simply stop the annuity. It is amazing how well this works. If you are moving, and you don't want your annuity payments interrupted, make sure you tell Datacom (and us).



Report from Council Your governing body meets

Council has traditionally met at the Brentwood Hotel in Wellington on the first weekend in September. This year was no exception, with the meeting being held over Saturday 5th and Sunday 6th. Throughout this edition of Annuity News you will find background information on what went on at this year's very successful Annual Council Meeting.



Decumulation Do you have enough income for your retirement?

Decumulation is an ugly word and even Microsoft Word puts a wiggly red line under it. It is a fairly recent buzz-word which refers to the need for many retirees to turn assets (capital) into usable funds (income). When preparing for the day you stop working, you will have considered a number of things. These include adjusting lifestyle expectations, considering longevity risk, saving more money, taking more investment risk or simply postponing retirement. But what do you do after retirement if your disposable income is insufficient to meet your requirements? While all GSA members enjoy the benefits of a regular annuity, for many of us it is not enough to fund the retirement lifestyle that we would like to enjoy. Asset rich, cash poor? In this edition of Annuity News we briefly mention two ways of securing a bit more cash – moving to a retirement home, or releasing capital from your existing home (reverse mortgage) – two of a number of options.

In the USA, 10,000 baby boomers turn 65 every day.

From The President

September 2015

After a very successful Council meeting at Brentwood Kilbirnie, I am writing to you as the next GSA President. Thank you for the confidence you have shown in electing me.

The previous Board members Peter Chambers and Edgar Spark did not stand for the Board. We are grateful for their knowledgeable service. Peter organised this year's Council meeting even though he was unable to attend. The opportunity for GSA members to elect people from branches outside the Wellington Region to the Council was taken up by some re-electing Diana Ward (Nelson) and Mark Leys (Auckland) and new member, Tony Hamilton (Northland).



At its October meeting, the Board will discuss whether co-option would be in order to reflect the Council's wishes and any other strategies which need to be more actively pursued.

Life memberships of the Association for 'exceptionally meritorious' contributions were awarded to Alan Ferris (South Canterbury), Paul Gardner (Horowhenua- Kapiti), Leith Power (Wanganui), Diana Page (Marlborough), Ron Salmons, (Bay of Plenty) and Jim Turner (Wellington), the retiring President. We are all grateful to Jim for his years of experience and his expertise used in his service to GSA.

Simon Tyler, Chief Executive of the Government Superannuation Fund Authority, accompanied by Paul Bevin, spoke on the management and upgrading of the Datacom systems and schemes. This fund paid \$877 million to members in 2014-2015, a proportion of our monthly annuities, so we listened very carefully.

A detailed account of the Council's proceedings is available elsewhere but I should like to highlight the reporting of the Board's work to the Council –progress on policy objectives and the approval of the Draft Strategic Plan, 2016-2019. Useful ideas from conference members at the Workshops will be analysed and developed further.

It was very encouraging to see the work put in by the branches to discuss topics and direct candidates how to vote so as to assert ownership of their organisation. It was good to hear of the social events taking place in branches as this is what members want.

Please ask whether old friends and workmates are GSA members when you see them next. We must keep on recruiting as our ageing members die and we need as large a membership as possible to sway politicians. Members will benefit from branch activities and the GSA is in the background if a member dies, to check that widowers', widows' or partners' interests have been protected. The Head Office and the Executive Officer, Alan Peck, should be the first point of contact.

Best wishes for the summer,

A handwritten signature in cursive script, which appears to read 'Janice Campbell'.

Janice Campbell,
President



Advocacy Finding a way around the brick wall

Council received reports on our achievements on the advocacy front, and really, there was little to report that was positive. Apart from our meeting with Paul Foster-Bell late last year, GSA attempts to meet with anyone from Government have been persistently thwarted and we have been consistently met with a party line that could only have come from the office of the Minister of Finance. For example, the Minister of Revenue declined our requests to meet with him to discuss double taxation this year, and the Ministers for Women and Senior Citizens have both similarly ignored our requests to brief them on the 100% CoLA issue.

We need to look at the other political parties, in the hope that we can gain some support there. Although we have managed to attract the attention of the Labour Party and United Future, our attempts to gain the interest of NZ First (supposedly the standard bearer for senior citizens) have been met with no acknowledgement at all.

On our specific policy objectives Council made the following decisions:

- The **tax equity** issue will be completely reviewed by the Board and a report on whether a reconstructed case might be successful will be presented to the 2016 Council.
- On the issue around **100% CoLa** for our pre-1985 annuitants, we will continue to make a case that the advice provided by Treasury when the so-called 100% increase was made was seriously flawed.
- Given the current extremely low inflation rates and the amount of effort that would be required to change the legislation, the issue of the annual delay in implementing **CoLA increases** is not viewed as a high priority.
- We will keep a close watch on any **Double Taxation** agreements negotiated by Government to ensure that our concerns are acknowledged.

Council showed a degree of sang froid in accepting this situation for the time being, but was resolute in its collective belief that we should never give up. Opportunities may yet arise for the GSA to state its case in protecting the lifetime rights of its members.



Employers' Contribution Disappointment

One area which attracted significant activity this year was the issue around employers' contributions. Members will be aware that we reported in the last Annuity News that we were analysing the data that we received from our survey of all pre-annuitants on the issue of how the payment of the employers' contribution was being applied in the workplace. The evidence gathered showed that the matter of the employer's contribution and how it is dealt with depends very much on the employer, and there is little consistency.

We sought legal advice based on the information which our members provided. The views we received from our QC are not what we had optimistically hoped for. In summary, the legal opinion is that it is not possible to identify real cases which could have sufficient general application such that an overall benefit to a group of members could be achieved. While there are a number of members who have been disadvantaged, some substantially, by what has occurred, each case appears to be fact-specific. It is the opinion of our QC that if any member wished to contest the matter, each case would need to be investigated and put forward on an individual basis.

The legal view also reminded us of the one case which has gone to court, *Sears* in 1975, which, on appeal, found in favour of the employer.

We were disappointed by this outcome as it is not possible for the GSA to act on behalf of the many individuals who are affected by this. We had hoped that we might obtain sufficient evidence to pursue a group action, but, unfortunately, this was not to be.



Life member Awards 2015 Six deserving recipients

One of the more pleasant tasks of Council is the award of Honorary Life Membership to reward the dedication of well deserving members.

Those honoured this year were:



Paul Gardner has been Secretary of the Horowhenua Kapiti Branch for the past 15 years as well as being a regular attendee at Council as a branch delegate. As branch secretary, Paul has become the cornerstone of the branch committee, and in his courteous, unflustered and thorough manner ensured the smooth operation of all branch affairs.



Ron Salmons joined the Bay of Plenty branch committee in 2000, and is still a member after 15 years. He has also held the position of Vice Chairman and Chairman and has been the branch delegate at Council for a number of years. Ron has contributed greatly to the viability of three sub branches, Whakatane, Whangamata, and Thames, significantly improving communication throughout the Bay of Plenty Branch region.

Diana Pye has been a Marlborough committee member for 22 years and is in her 20th year as secretary. She has also been an observer or delegate to council since 1996. She has guided the Marlborough Branch from approximately 260 members to the current 570 plus. Her contribution to the GSA and her sincere pastoral care to local members over such a long period has been exemplary.



Alison Ferriss collected the award on behalf of her husband, Alan. **Alan Ferriss** was appointed South Canterbury branch secretary in 2002. He held that position for 13 years, During that time he also represented the branch as regional delegate to Council. Despite failing health, Alan has continued his association with the branch as Chair since April 2014, when he relinquished the Secretary role.



Leith Power joined the Wanganui committee in 2003 and was elected as Vice Chairman the following year. In 2007 he was elected to the position of Chairman, a role he held until 2014. Leith has been branch delegate to Council since 2007. He is known for visiting local Members of Parliament, and speaking at pre-election meetings thereby ensuring that the GSA voice is heard.



Jim Turner served initially as an Executive Committee representative for the Canterbury Branch for four years attending Council meetings as a delegate. After the constitution of the new Board in 2009 Jim Turner was elected as the inaugural Vice President. He then served for four years as President of the GSA. Jim continues to serve on the Board and the Wellington committee.



Membership and Recruiting Remaining strong

The GSA current membership numbers remain significant. The organisation can and should exist in a healthy state for some time yet, and, while we are experiencing a small decline in numbers, we can expect to remain a potent force for many years.

The table on the right shows the comparison between membership numbers in September 2014 and a year later in September 2015. If the total for 2015 is broken down it reveals that of the nearly 26,868 members:

- 14,822 are annuitants
- 6,635 are annuitant spouses
- 4531 are surviving spouses
- 491 are pre-annuitants
- 389 are pre-annuitant spouses

GSA membership peaked in mid 2014. Numbers were boosted in 2012/13/14 by the recruiting of spouses and the one-off transfer of our Railways colleagues. We have seen a decline over the 12 months to September of a little over 4% across the board, but we note that this is against the peak in 2014 which was a historic high level.

The only source of new membership are those members of the GSF and NPF schemes who have not joined. According to Government Superannuation Fund Authority (GSFA) figures there are over 46,000 annuitants currently in the GSF scheme, with 43% of that number having joined the GSA. We recognise that recruiting new members from among those annuitants who have been retired for some time is extremely difficult. Our chances are much improved if we can attract those who have just or who are about to retire. Given that there are still over 8,000 active contributors to the GSF and NPF schemes, GSA penetration in this area is not significant.

	2014	2015
Auckland	5045	4791
Bay of Plenty	1907	1848
Canterbury	3992	3774
Gisborne	225	220
Hawkes Bay	937	914
HoroKapiti	1345	1301
Lake Taupo	251	239
Manawatu	1108	1094
Marlborough	581	581
Nelson	901	884
Northland	811	801
Otago	1583	1518
Rotorua	435	433
South Canterbury	410	402
Southland	410	384
Taranaki	597	547
Waikato	1588	1517
Wanganui	614	588
Wellington	5335	5032
	28075	26868



Member Services Are we evolving?

We have seen an increase in the number of individual members seeking advice. Some of this has been generated by responses to the Q&A section of the recent editions of Annuity News where topics of concern have stimulated interest. It is also evident that as our membership grows older, certain subjects receive more attention. Similarly, our comments in the last Annuity News advising members to ensure that their spouses, lawyers, and accountants understand the annuity seems to have hit the mark as there has been a noticeable rise in demand for the GSA personal data book.

National Office deals with requests in a circumspect manner, avoiding any suggestion of providing personalised advice. Our advice is restricted to statements of fact around the rules and legislation, and information on the options that might be available. We need to be careful, as the provision of advice brings with it risks and liabilities. If the demand for personal advice continues to increase as our membership ages, there may be a need for a more professional approach to be taken to the provision of this advice – if that is a role the GSA wishes to take on.

This whole subject area was well discussed at one of the Council workshops and it is likely to appear on the Board agenda at some stage over the next year.



Thinking of Moving to a Retirement Village?

There are a few things you should know.

My golf club recently sold off a chunk of land which is to be developed as a retirement village. Now that's got me thinking.

In the NZ Herald last November, Tamsyn Parker wrote: *"When I visit my grandparents in their retirement village I can't help thinking how lucky they are. There's a pool and gym on site, a gigantic billiards table and lawn bowling greens. If a light bulb blows someone comes to fix it and the lawns and windows are taken care of by someone else. Of course all of that doesn't come for free -- moving into a retirement village is a costly exercise. But it's something more Kiwis are doing. According to the Retirement Villages Association the number of people aged over 75 living in a village grew by a whole percentage point in the year to December 2013 to 10.5%. New Zealand's share market listed retirement village sector is booming."*

It is, as Tamsyn says, becoming an increasingly attractive option for many Kiwis. After all, it relieves retirees of many of the stresses of home-ownership at a time when bending to do the gardening is a pain (literally), climbing ladders is foolhardy, and general maintenance on the house that the kids grew up in but left many years ago, is becoming an exhausting and expensive chore. Security is also a concern for many. And, the biggest plus of all, moving to a retirement home can free up capital to pay for all those hobbies and other activities we now have time for. 10.5% of the population can't be wrong.

But, before you take the decision to enter this enticing new haven it is essential that you make yourself fully aware of all the facts. Retirement homes are not for everyone and the consequences of making the move and later regretting it do not bear thinking about.

Make sure you understand the financial consequences. With a large majority of retirement villages in NZ, you do not own your home. You will usually buy a licence to occupy. The capital downside to this is that most retirement village companies don't allow residents to take advantage of future capital gains in property and when the resident vacates the owner/operator takes a cut of between 20 to 30 per cent of the original price. The owner then gets to on-sell the unit to the next buyer at a price that keeps pace with the local property market. The departing occupier, or the deceased estate in many cases, will not recoup anywhere near the overall investment. On top of that, residents have to pay a weekly fee.

Foregoing capital gains and having to accept a set price for the property on vacating it means it's likely you will have less money left to leave as an inheritance. This may not be a concern if the offspring are out there in the world successfully making their own way.

You need to make sure that the home or village suits you. Is it close to friends and family, transport, shops, and golf course? Does it have all the amenities that the glossy brochure promised? There are documented cases of retirement villages promising but not delivering on amenities yet to be built. Are the rules ones you can live by? Will you mind being constrained in what you can do in the garden? Or what modernisation, alterations, or decorating you can do to the inside of your home? Do the rules on pets suit you? Your life will be governed by a set of rules which are not only designed to ensure a quality of life for all residents but they will also protect the investment of the property owner.

There is a lot to think about. Legislation now protects the elderly and significantly reduces the risk of "hard sell" and "small print" pitfalls. There is also a lot of information out there to help with the decision making. For example, Consumer has produced a very useful checklist. The checklist is exhaustive and asks all the important questions, including the ones that you may not have thought of. There is also an excellent publication produced by the Ministry of Business, Innovation, and Employment (MBIE) called *"Thinking of living in a retirement village?"* This booklet asks all the right questions and it clarifies your legal rights. The GSA commends both of these documents to anyone contemplating such a major move.



Reverse Mortgages It's not cheap money

Reverse mortgages work by home-owning seniors borrowing cash against the value of their property with the debt recovered with compound interest when they die or move. This is a simple way of releasing cash from what is usually our biggest asset, our home. This is a niche market and there would appear to be only two players at the present time, Heartland and the ASB.

While this process achieves the aim of releasing spending money, it does so at a cost. This is not a free service and someone pays later. The loans are already much more expensive than standard home loans, currently at around 8.3%.

In an article entitled *Beware of Reverse Mortgages* in the NZ Herald in June last year, Susan Edmunds sums it up:

"People need to really understand the decisions they're making and the implications of drawing on equity. The downside of reverse equity is that you're on the wrong end of compounding interest. Compounding interest is what makes saving pay off. Interest payments add to your total, and the higher total attracts more interest the next year. Compound interest means savings can increase by much more than the amount put in the account. But when you have a reverse mortgage the opposite is true. Loans can become big, quickly.....An online ASB table shows a \$10,000 reverse loan turning into \$45,000 after 15 years because of compound interest. Heartland has an example where a \$50,000 loan turns into \$150,000 after 15 years."

The loans - also called equity release - have been criticised for being capable of wiping out the value of a family home and leaving relatives with nothing. In an extreme case, one calculator shows that a 65-year-old who borrowed \$100,000 against their \$500,000 home would owe \$1.2 million at age 95, or 12 times the original debt.

There is a plus side, however. Families do not have to make up the shortfall after the death of the borrower, as there is usually a guaranteed no negative equity arrangement and borrowers can stay in their home until they die.

The GSA does not offer an opinion on this system, but we do think that careful thought is required before considering reverse mortgage as a way of raising money. If you are thinking of investigating this option, a simple visit to Google will provide you with plenty of good information. Horses for courses.



Returning from a Lengthy Retirement Overseas? Your annuity may change

If you retired overseas before 1990 and are planning to return to NZ, this will be of interest to you.

The legislation passed in 1990 made the GSF Annuity tax exempt. However, to ensure that annuitants did not suddenly receive a windfall, all annuities were reduced by a reduction factor (you would have heard plenty about this before). For those who had retired before 1990 the reduction factor applied was the annuitant's tax rates. For those who retired between 1990 and 1999 the reduction factor was progressively increased to 30%. Anyone retiring after 1999 had a reduction factor of 30% (NPF 40%) applied.

However, the 1990 legislation made an exemption for annuitants resident overseas before 1990. They were paid gross, that is no reduction factor was applied, as it was assumed that they were being taxed overseas. This exemption did not apply for anyone retiring overseas after 1990, nor does it apply to annuitants returning to NZ.

If a pre-1990 annuitant chooses to return to NZ to live, a reduction factor will be applied to the annuity by the Government Superannuation Fund Authority (GSFA). This reduction factor will be based on the tax rates applying between 1 April 1989 and 31 March 1990. In other words, if you retired overseas before 1990 and are planning to return to NZ, you will no longer receive the gross annuity. Your annuity will drop by the amount of the reduction factor applied by the GSFA.



Including your partner in NZ Superannuation?

The rules are not simple

You may be considering the option offered under the NZ Superannuation regulations for having your younger partner included in your pension. We have noted that there is some confusion regarding the "income test" that is applied. Yes, your GSF/NPF annuity is counted as income, but under some circumstances only 50% will be taken into account. We approached Work & Income to see if we could obtain a clear interpretation of what appear to be quite complex rules in the Social Security Act around when the 50% rule is applied. They obliged with the following statement:

[In order to be eligible to have only 50% of their annuity taken into account] the person applying to include their partner in their NZ Superannuation must:

- meet the residential qualification for NZ superannuation, and
- be aged 60 years or more and
- their partner must be aged 60 years or more (but less than the applicant's age), and
- the pension or annuity meets the criteria, *(GSF and NPF annuities meet the criteria)* and
- they started getting payments from the superannuation fund before 1 April 1992 and
- when they started getting payments they were aged not less than 55 years and not more than 59 years

The income test is applied every 52 weeks and there is an annual review of your circumstances. Payments can change as a result of this review. When the non-qualifying partner becomes eligible for NZ superannuation in their own right, the income test is no longer applied and the rate of pension changes to the standard married rate.

To avoid confusion you should note that the definition of income used for means assessment of income for residential care subsidy is different. The Social Security Act allows for 50% of amounts received from a superannuation scheme or annuity to be excluded from the assessment, but is worded very differently from the definition used for NZ superannuation purposes, as it does not include the specific age criteria. Instead it simply states that 50% of private pensions or annuities are exempt.

In a nutshell? If you are looking to include a younger partner in your NZ Superannuation there are some very specific age related criteria which apply before you can have 50% of your GSF/NPF annuity exempted from the income test. These age related criteria are not relevant when applying for residential care subsidies.



Subscriptions for New Members

Have you been contacted by Datacom?

Some of you will have received correspondence from Datacom seeking your approval to commence deducting GSA subscriptions from your annuity. This has resulted from a recent policy decision taken by the GSFA that they need to formally see an approval before commencing deducting subscriptions. They are not accepting simple notification from our database. This is particularly affecting the spouses of annuitants who have recently died. Our GSA system simply places the spouse in a "pending" category until the surviving spouse receives her/his own annuity number and subscriptions commence. The new step, whereby Datacom is requiring approval to make the deductions, is delaying the process for surviving spouses to be restored to full membership. Unfortunately this often happens at a time of loss when there are many other things that need to be taken care of.

We understand the issues raised by the GSFA. Our processes have, for some time, allowed new members to join without a signature especially in the particular case of spouse membership, where many joined on line, by telephone, or simply by amending an annuitant's membership details. The GSA is currently working with the GSFA to agree on arrangements which will allow the GSFA to have sufficient faith in our system to eliminate the need for this delay. This means that our enrolment processes will need to be above reproach.



Questions and Answers

These Q&A are based on real questions from our members. (For answers to more frequently asked questions it is recommended that you visit the FAQs in the members section of the GSFA web site: <http://www.gsfa.govt.nz>)

Q *Can I cease my contribution and thereby start to receive my annuity whilst still working for another year? I am looking at retiring in one year's time and hence would I have to wait until I actually retire to receive my annuity?*

A The earliest that your entitlement can come into payment is the day after your last day of employment in Government service. In other words you cannot receive your annuity while still in your current job. You actually have to have a break in employment.

Q *I divorced and remarried 20 years ago. Under the terms of the matrimonial settlement my first wife receives 50% of the annuity. This was not a formal assignment. The agreement states that should she die first her share of the annuity is restored to me. However, also under the terms of the agreement, should I die first, her 50% also ceases (naturally) and she is entitled to a lump sum settlement from my estate. My question is around the entitlement of my second wife. If my first wife dies before I do, and I die before my second wife does, my second wife will receive 50% of the full annuity. However, what happens if I die before both the first and second wife?*

A Your second wife will be entitled to 50% of your full annuity as she would be the partner in your relationship at the time of your death. Because no formal assignment was made, your first wife is covered only by the terms of the matrimonial settlement. Irrespective of whether you or your first wife die first, at the death of either of you the matrimonial settlement is wound up. If you are worried you might like to seek legal advice.

Q *My wife and I are retired and receive the fortnightly married pension. Apart from my GSF annuity this is our sole source of income. If I apply to WINZ Senior Services for a Community Services Card would my GSF annuity form part of our total income?*

A The answer is yes. 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 have to include the whole amount of your private pension as income. The only circumstances where the GSF Annuity is not required to be taken into account is for tax purposes.

Q *Can a Surviving Spouse make an assignment?*

A No. Only the original annuitant can do so.

Q *My husband and I are both members of the GSF. Because we joined at different times, we get different amounts. I think I remember that it was possible to each enrol the other in our own membership so that we each could claim half of our own and half of our partner's amount, thus making it equal. Do I have this right? And if I do, how do we go about it?*

A This can be achieved through the assignment process, with each annuitant making an assignment of up to 50% of their annuity. Note that some actuarial adjustments may occur so the dollar amounts may differ.



In our last issue (No 91) we gave an answer to a question on what to do to ensure that your surviving partner receives her/his entitlement which implied that you should ensure that your partner is a member of the GSA. This is not correct. We simply intended to say that being a member of the GSA ensures that the surviving spouse has assistance readily available at a time when he/she might most need it.



The GSA Board Changing of the guard

Board elections are held at Annual Council. One significant difference this year was that this was the first Council to operate under our new Constitution. The new rules allow for a President, Vice President and five elected Board members (previously this was four). The Wellington Residency requirement has also been removed.

There have been some significant changes to the GSA Board as a result of the elections at Council this year. Some change was inevitable with Jim Turner standing down after four years as President, and Peter Chambers and Edgar Spark standing down after many years on the Board.

A total of 10 candidates were nominated to fill the seven positions up for election (President, Vice President, and five Board Members.) Of these 10, five were from outside the Wellington region. Whether the changes in the GSA Constitution to remove the Wellington residency requirements has made a difference or not, it was gratifying to see interest from across the country.

Elections were held for all positions and the following were elected to the Board at the 2015 Council meeting:

President: Janice Campbell* (Wellington),

*denotes sitting Board member from 2014

Vice President: Bryan Whisker* (Wellington)

Board Members: Tony Hamilton (Northland), Mark Leys* (Auckland), Bill Robertson* (Wellington), Jim Turner* (Wellington), and Diane Ward* (Nelson).

Council thanked Jim Turner for his hard work and dedication as President over the past four years and noted with appreciation that he will continue to serve as a Board member. Council also bade farewell to Peter Chambers, and Edgar Spark, and thanked them for their support. It was noted that they will continue to be active members of the GSA.



The 2015/16 GSA Board met immediately after Council. Clockwise around the table, from the the left are: Tony Hamilton, Diane Ward, Bryan Whisker, Mark Leys, Janice Campbell (President), Bill Robertson, and Jim Turner.

The Board meets in Wellington on the second Tuesday of each month, except January.

Under the terms of the Constitution, the Board may also appoint up to two further members. This matter will be

discussed at the October Board meeting.



Council noted that for the first time in its 95 year history, the Association has elected a woman as President. Janice Campbell was warmly congratulated on her election to this position.



Finances

Remaining healthy with an eye on the future

Council noted that, overall, the GSA is in a fairly healthy position. For the 2014/15 year the organisation made a \$75,000 surplus before tax, which was just under \$5,000 less than last year. Given that our costs have gone up, and subscriptions have not, we are reasonably comfortable with this performance. Our total accumulated funds across the whole GSA now stand at around \$970,000, so our piggy bank is looking good. However, there is no room for complacency. With falling membership, meaning falling revenue, we need to ensure that we have the funds available to remain financially viable for many years yet.

GSA 2015 Consolidated Position

	GSA 2014	GSA 2015
Subscriptions	379,529	380,056
Functions	49,158	48,069
Interest	33,608	43,297
Donations	7,527	4,066
Other	8,618	2,316
income	478,439	477,803
Functions	67,103	73,874
Communications	75,592	85,322
Organisation	68,589	79,524
Personnel	138,505	110,361
Office function	26,968	21,117
Review/audit	5,479	7,988
Income tax	6,499	6,330
General	9,702	18,038
expenditure	398,436	402,554
surplus (deficit)	80,004	75,249
accumulated funds	899,124	972,986

Two branches operated small deficits while the remainder achieved surpluses. All branches hold sufficient reserve funds to meet possible needs.

Branch	Income	Expend.	Acc Funds
	\$	\$	\$
Auckland	32,935	29,318	59,171
Bay of Plenty	15,632	15,001	24,554
Canterbury/Westland	25,287	24,960	30,580
Gisborne	1,489	1,211	2,683
Hawkes Bay	9,316	8,532	20,437
Horowhenua/Kapiti	9,839	4,366	42,663
Lake Taupo	2,272	2,493	4,747
Manawatu	8,717	10,515	8,244
Marlborough	4,905	4,734	7,317
Nelson	8,416	7,138	14,988
Northland	7,496	6781	14,140
Otago	15,575	14,307	41,930
Rotorua	7,283	6,881	8,855
South Canterbury	7,118	5,373	6,513
Southland	3,736	3,633	6,579
Taranaki	4,767	4,767	7,833
Waikato, King Country	13,751	12,964	23,047
Wanganui	5,590	3,753	13,393
Wellington	44,249	43,526	29,098
National Office	249,002	192,300	606,215

The figures for 2016 will look quite different. The centralising of the printing and distribution of Annuity News and branch newsletters has meant a significant shift of costs (some \$35,000 annually) from branches to National Office. The Board took the decision that rather than recover these costs from branches the funds could be put to use to support branch activities.



Our Flag Have your say

Regardless of your thoughts on the current debate around the future of our flag, remember, voting in the two referenda is the only formal way to express your views. In the first referendum we will be given five alternatives to our current flag. In the second referendum the preferred alternative will be stood against our current flag. Make sure you have your say, otherwise your comments might not be taken too seriously.

Contact your branch secretary:

on 0800 888 472

or email:

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GSA website www.gsa.org.nz

The GSA website features an outline of the GSF and NPF annuity schemes and the organisation of the GSA and its advocacy.

Annuitants and contributors can join the GSA online, and members can amend their GSA personal record.

Members can also ...

View past issues of *Annuity News*, the GSA booklet *Retirement and your Annuity*, and minutes of Council and Board meetings.

To enter the member area, you need your email address and a password.

If the GSA does not already have your email address, update your record. Enter your name and annuity number and a password will then be sent to you at the email address you have provided.

Find your annuity number (which is also your GSA number) on any letter from 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

Help protect your annuity

Sign up your spouse

Sign up a mate

Sign up other annuitants

You'll be doing all annuitants a favour by strengthening the GSA and helping to protect your income.

Applications can be made 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 only \$1.65 four-weekly per annuity - a couple sharing an annuity pays one subscription.

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