

## ***What's inside***

**Pensioner  
Indexation Review**

*Page 2*

**Changes to  
Compulsory  
Retirement Age**

*Page 2*

**What happens to  
my pension when  
I die?**

*Page 3*

**How the Consumer  
Price Index affects  
your pension**

*Page 4*





## Pensioner Indexation Review

In June 2008 the Government announced a review of Pension Indexation Arrangements for Australian Government Military and Civilian Superannuation Schemes.

The review examined whether the current Consumer Price Index (CPI) indexation arrangements for pensions should be changed.

The Government announced the outcome of the review on 21 August 2009. The Government decided that there will be no changes to the indexation arrangements for Military and Civilian Superannuation pensioners.

This means that MilitarySuper pensions will continue to be indexed in line with the Consumer Price Index (CPI) as provided by the scheme rules.

For further information and for a detailed review report, visit the Department of Finance and Deregulation website at [www.finance.gov.au/superannuation/pension-indexation-review.html](http://www.finance.gov.au/superannuation/pension-indexation-review.html)

## Administration arrangements for Australian Government Superannuation Schemes

The Minister for Finance and Deregulation and the then Minister for Superannuation and Corporate Law announced on 31st October 2008 new reforms intended to improve and combine governance and administration of Australian Government Super Schemes, including MilitarySuper.

Central to the reforms will be the establishment of a new Board of trustees for the Military and Civilian Government Superannuation Schemes. In essence it is proposed that from 1 July 2010 the MilitarySuper Board, the DFRDB Authority and ARIA (trustee for the CSS, PSS, and PSSap civilian schemes) will merge to form a single trustee Board.

The new board will be trustee of the main Civilian and Military Super Schemes and will continue to represent the best interests of all members.

Your MilitarySuper pension will not be affected in any way.

## Changes to Compulsory Retirement Age

On 22 October 2009 the Hon Greg Combet, Minister for Defence Personnel, Materiel and Science announced a change that will improve death and invalidity benefits for members of MilitarySuper. Benefits for death and invalidity payments will now be calculated in line with changes to the compulsory retirement age for ADF members and will be backdated from 1 July 2007.

Benefit payments that may have eligibility will be reviewed and where necessary, adjustments will be made. Members and Pensioners will be advised of any change in benefits as soon as the review has been completed and any increased benefit amount will be paid with interest.

For further information visit the Minister's website at [www.minister.defence.gov.au](http://www.minister.defence.gov.au).

## What happens to my pension when I die?

In the event of your death, a family member should let us know by calling **1300 001 877**. We need to stop your pension payments as this will prevent overpayments which your family or estate would need to repay. Even if your spouse and/or child/ren are eligible for a pension, your pension payments must stop before we can assess any further benefits payable. As soon as your family contacts us we will send them an application form. They can then apply for a pension and, if eligible, benefits will start for your family as soon as possible. Your eligible spouse and/or child/ren are entitled to receive a pension that is a percentage of the pension being paid to you at the time of your death. An eligible spouse can include a same sex partner.

It is important to remember that you cannot determine by way of your Will and Testament (or by other written direction) who is eligible for a spouse or child/ren's pension if you die. Eligibility will be assessed by the information provided in the application.

When your family member completes the application form they will need documents to prove their identity to us.

The list of documents on this page can be accepted as identification. Please note that the documents will be required to be certified by persons identified in the application form. This information will also be on the application form. Correctly certified documents will ensure that there are no delays in processing the benefit.

One certified document from **column A** is required or one from **column B** and one document from **column C**. For example, your spouse could give us a certified copy of their Driver's licence (from column A) **or** a certified copy of their birth certificate (column B) and a certified copy of the electricity bill (from column C).

A	B	C
Driver's licence or permit issued by State or Territory or foreign Government	Birth Certificate or Birth Extract, issued by an Australian or foreign Government (either in English or accompanied by English translation by an accredited translator)	Copy of a rates bill with the same address and name as on the application
Passport (current or expired by less than two years)	Australian Citizenship certificate	Copy of an electricity or gas bill with the same address and name as on the application
An identification or proof of age card issued by a State or Territory, containing a photograph	Citizenship certificate issued by a foreign country (either in English or accompanied by English translation by an accredited translator)	Copy of a tax return letter from the Tax Office with the same address and name as on the application
A national identity card, containing a photograph, issued by a foreign Government (either in English or accompanied by English translation by an accredited translator)	Pension or other social security/DVA benefit card	A letter from Centrelink or DVA with the same address and name as on the application
	ADF Discharge papers	For a person under the age of 18, a letter from a school principal, within three months of application, stating the name of the student, residential address and period of time the student attended the school



## How the Consumer Price Index (CPI) affects your pension

On the first payday in January and July each year, your pension is indexed in line with the Consumer Price Index (CPI).

The CPI takes into account a range of factors as set by the Australian Bureau of Statistics (ABS). These factors take into consideration a range of categories of goods and services. For example; food, clothing, housing, health and transportation.

Once we know the CPI figures, we do a calculation (see below) to see if your pension is due for an increase. If the new CPI figure exceeds the previous relevant September or March CPI figure, we increase your payment. If the new CPI figure does not exceed the highest of these figures there is no increase in the CPI rate.

There was no CPI increase in July 2009. This occurred because the March 2009 CPI figure of 166.2 was less than the previously announced figure of 166.5 for September 2008.

On 28 October 2009 the ABS announced a CPI figure of 168.6 for the September 2009 quarter. As the September 2009 figure is higher than the September 2008 figure of 166.5, an increase of 1.3% is payable.

## How the CPI pension adjustment is calculated:

### **CPI Increase Calculation**

$$\frac{(\text{September 2009 CPI number}) - (\text{September 2008 CPI number})}{(\text{September 2008 CPI number})} \times 100 = \text{CPI change (September 2008 to September 2009)}$$
$$\frac{(168.6 - 166.5)}{166.5} \times 100 = 1.2612\%$$
$$= 1.3\% \text{ (when rounded to the nearest tenth of one per cent)}$$

Therefore, on payday 14 January 2010, your pension will increase by 1.3%. If you would like more information about how the CPI is calculated, please go to the ABS website at [www.abs.gov.au](http://www.abs.gov.au).





## Pensioner Services Online

One of our services to MilitarySuper pensioners is the Pensioner Services Online facility. You can now:

- view and update your personal information, including banking details
- view your fortnightly pension payments
- view and print your CPI letter
- view MilitarySuper contact details.

If you would like access to the service call **1300 001 877** and we can give you an access number over the phone.

## Why do I have to pay tax on my pension?

MilitarySuper pensions are considered income by the Australian Taxation Office (ATO) and therefore we are obliged to deduct tax from your pension according to the relevant Pay As You Go (PAYG) taxation tables.

Any tax concessions you may be eligible for are taken into account each fortnight when calculating the amount of PAYG deductions from your pension payments unless you have advised us that you wish to claim these concessions on an annual basis.

If you think you should not be paying tax on your pension you will need to apply to the ATO for an assessment. You can do this by completing a **PAYG income tax withholding variation (ITWV)** application form available at [www.ato.gov.au](http://www.ato.gov.au) and submitting it to the ATO.

Once the ATO has provided their assessment you can forward this information to MilitarySuper and we will apply any changes to your tax on the next available payday.



## We want your feedback!

We measure our level of customer service by sending a survey each year to a random selection of pensioners. If you have been selected to participate, you will find a survey in your package. Please return the survey by 31 January 2010 in the reply paid envelope. For further information, call ORIMA Research on **1800 806 950** (free call).

If you don't receive a survey, but would like to give your feedback, call **1300 001 877** or email [pensions@enq.militarysuper.gov.au](mailto:pensions@enq.militarysuper.gov.au). You can also write to us at the address at the back of this pension update.

If you are not satisfied with our service, you can either ask to speak with a supervisor or talk with a complaints officer. Contact details for any complaints are on the back of this pension update.

If you are still dissatisfied with our response or we cannot resolve your complaint within 90 days you can lodge a complaint with the Superannuation Complaints Tribunal (SCT) free of charge. The SCT is an independent organisation set up by the government to resolve complaints. You can contact the SCT directly by:

Phone: 1300 780 808  
Fax: 03 8635 5588  
Email: [info@sct.gov.au](mailto:info@sct.gov.au)  
Web: [www.sct.gov.au](http://www.sct.gov.au)

## Do you need to update your address or banking details?

You can change your address or banking details at **Pensioner Services Online** or contact us at the details given on the back page of this pension update.

Please note that any address changes made after 10 June 2010 will not be processed for the July 2010 CPI mail out. If you have changed your address and have not let us know by this date, please make sure you have a mail redirection in place so you receive your July 2010 CPI pack. Your July 2010 pack will include your Pension Statement, which you will require in order to complete your income tax return.

Any bank or tax changes made after 10 June 2010 will not be processed until payday 15 July 2010.

## Useful contacts

### Australian Tax Office (ATO)

The Australian Tax Office can help with questions about your super and tax.

**[www.ato.gov.au](http://www.ato.gov.au)**

Personal tax enquiries: 13 28 61

Superannuation enquiries: 13 10 20

### Centrelink

Contact Centrelink for information about the Age Pension, Pensioner Concession Cards, Widow B Pension, Wife Pension, Commonwealth Seniors Health Card and their Financial Information Service.

**[www.centrelink.gov.au](http://www.centrelink.gov.au)**

Retirement Services: 13 23 00

If you are deaf or have a speech impediment please call 13 36 77 (Voice and TTY) or 1800 555 677 (Voice and TTY)

### Department of Veterans' Affairs (DVA)

Contact DVA for information about pensions and support services for veterans and their dependants.

**[www.dva.gov.au](http://www.dva.gov.au)**

General enquiries: 13 32 54

### Defence Force Welfare Association (DFWA)

DFWA is an independent, national association working for the benefit of serving and former members and reservists of the Australian Defence Force.

**[www.dfwa.org.au](http://www.dfwa.org.au)**

Postal address: PO Box 4166,  
Kingston ACT 2604

Phone: 02 6265 9530

Fax: 02 6265 9776

Email: **[national@dfwa.org.au](mailto:national@dfwa.org.au)**

## How to contact us

Web: **[www.militarysuper.gov.au](http://www.militarysuper.gov.au)**

Email: **[pensions@enq.militarysuper.gov.au](mailto:pensions@enq.militarysuper.gov.au)**

Phone: **1300 001 877** from anywhere in Australia for the cost of a local call (mobile charges apply to mobile phones). We are available from 9:00 am to 5:00 pm Australian Eastern Standard Time (AEST) Monday to Friday. Pensioners with a hearing impairment can use a special TTY facility: 02 6272 9827

Fax: 02 6272 9618

Postal address: MilitarySuper, PO Box 22  
Belconnen ACT 2616

Street address: Unit 4 Cameron Offices, Chandler Street  
Belconnen ACT 2617

### Complaints

Phone: 1300 033 732

Email: **[complaints@enq.militarysuper.gov.au](mailto:complaints@enq.militarysuper.gov.au)**

Postal address: Attention: Complaints Officer  
PO Box 22, Belconnen ACT 2616

