

Annuity News

October 2019 No. 100

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

Call the GSA free on 0800 888 472

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Finance and Expenditure Select Committee recommendation to Government



Hello? Is anybody in there?

There has been a major step in the right direction with the GSA petition addressing the need for a consistent government approach to 100% cost of living adjustment as currently impacting on pre-1985 retirees. The Select Committee has found in the GSA's favour and made the following recommendation to Government:

We find that the indexation formula included in the Government Superannuation Fund Amendment Act 2009, intended to achieve 100 percent indexation against the Consumers Price Index, appears to be a different formula to that used in previous iterations. We recommend to the Government that it takes note of this finding and consider options for addressing the resultant lesser payments received by contributors and beneficiaries of the fund.

The Association awaits Government consideration of the select Committee's findings and has requested a meeting with the Minister of Finance.

To find the Select Committee report and recommendations refer https://www.parliament.nz/en/pb/sc/reports/document/SCR_88208/petition-of-janice-campbell-for-the-government-superannuitants, or contact the Executive Officer gensec@gsa.org.nz and it will be emailed to you.



STOP PRESS

Kiwibank have made the decision to go cheque-free on February 28, 2020, making it the first mainstream New Zealand bank to do so. The bank ceased issuing cheque or deposit books in September and will stop accepting or providing cheques in March next year.

Kiwibank's justification is that "cheque use has fallen off a cliff and that's accelerating" and that the bank had faced a decision about whether to continue to 'invest millions of dollars in a sunset technology'. We are aware this is an issue that will impact on many of our members. Seniors make up 60% of people continuing to use cheques regularly. The Minister for Seniors has voiced concern as have many others. However, Kiwibank is adamant, and there is concern that other banks will follow suit.

Members will be making their own decisions about what to do if they are affected by this decision. Your local branch is considering the impact on branch activities for those of you who pay for social functions by cheque. Do not hesitate to get in touch with your branch secretary about other options that may be available for you for payment if you are concerned about this.

From the President



Dear members

Thank you Branches and members for the support you have shown by re-electing me to the position of President of our important organisation. The GSA continues to be in a very strong situation, but we must not be complacent. The purpose for our existence remains as it has been over the last 99 years, to ensure that our government honours the work we have all undertaken in service to the people of NZ.

I believe the 2019 Council meeting was a successful event. We were fortunate to have two MPs address the Council, Labour's Deborah Russell and National's Andrew Bayley. Both recognised the responsibility of any future government to uphold the financial commitment regarding our annuity. Both MPs were members of the Parliamentary Finance and Expenditure Select Committee who have produced a favourable report to the Government on our pre 1985 CoLA petition.

During the Council meeting a few significant rule changes were made: re quorums at meetings, re Board elections and Board member liaison with Branches.

I thank the members who put themselves forward for election to the Board. The new Board has some important work to do over the next 10 months. Not least amongst that work will be putting together a budget for the 2020 - 2021 financial year commencing in April 2020. This will follow on from the current budget which we expect will be balanced. To continue with this approach will be very difficult. Why?

The Board has over the last year taken many actions to successfully cut costs while at the same time not cutting the service delivered to members. We want to continue this approach for as long as possible, for many years into the future. One change that led to savings was that made to the start time of the Council meeting.

However, as members will appreciate, our numbers continue to dwindle as we all get older. Gaining new members is always a focus of the Board and Branches. There are still large numbers of annuitants who are not members of GSA. You can help us all by talking to friends / former colleagues / neighbours who are not members and encourage them to join. Why should they? We are the only group in place to hold a watching brief over the continuation of our annuity. While there is no current threat to that, one can never be certain about what is just around the corner.

We have done very well with a very small membership fee because it is spread over a large number of subscribing members: currently around 18,800. With only approximately 2,500 non-member contributors, there is a limited scope here for a significant boost. The largest pool to recruit from, therefore, are those currently receiving annuities but are not members. For privacy reasons we cannot obtain personal information to make direct contact with any non-members so rely on other ways to make a connection. Thus, the aforementioned personal approach from you is about all we are able to do. These non-members do receive a GSA promotional pamphlet in the yearly Datacom mail out.

Finally, a thank you to Bryan Whisker for his work on the Board and for GSA over many years.

A massive thank you to Bill Robertson for his 22 years on the GSA Executive Committee and Board, including being President in 2001 & 2002.

If you are able to get to a Branch end of year function, I know you will find the atmosphere congenial and pleasant so do your best to get there. And have a great festive season with your friends and family.

Regards

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

Tony Hamilton, President



News from Council 2019

This year's Council meeting was held 7-8 September, involving 8 Board members, 41 Branch delegates and observers together with 8 life members attending as observers. The meeting was energetic with all participants well prepared and working together to address priorities and current issues facing the Association. Next year's Council meeting has been scheduled for 7-8 September 2019.

Council participants at the West Plaza hotel in Wellington



Refer next page for 2019 Council summary together with the new elected Board and Board priorities.



Life member Awards 2019

At its meeting in September, Council awarded Life Membership to two members. The award is given to members who have contributed meritorious service to the GSA. This service may include participation at the national level, such as membership of the Board, attendance at Council, or other centrally convened meetings, however, it can also recognise excellent service provided at the local branch level. Nominations are received from branches each year and are assessed by the Board Honours Committee before being presented to Council.



Gavin Stuart received his Life Membership for his contribution over 14 years to the GSA to Canterbury/ Westland Branch (since 2005 and on the GSA Board (2011 and 2012)). Gavin has attended Council meeting as Branch delegate or Board member for 12 of the 14 years of service to

the GSA. He continues to stimulate both Branch and national Council with his fresh and bold ideas, persistence with key issues and his support to members.



Mark Leys was recognised for his contribution to the Auckland Branch Committee since 2012 and active input to the GSA Board 2011 – 2016. In 2015 Mark led the Tax Equity Working Party. Prior to the Railways Superannuitants Association

(RSA) members joining the GSA Mark attended RSA Branch meetings, paving the way for a smooth transition with the Auckland Branch when the RSA was wound up. Mark has been an active participant at Council and continues his strong contribution to Association thinking.

Summary of Council priorities from September meeting

Council meeting was, as usual, vibrant and busy with plenty of opportunity for discussion, decision making and social connection. Key decisions were made as follows:

- the appointment of a new reviewer for National Office Accounts, David Crombie (Gambitis Crombie Ltd);
- changes to the wording of Association rules as follows:
 - wording relating to Board elections so that if a situation arises again similar to that faced at 2018 Council, the Board would be able to appoint to any of the positions not elected at Council;
 - change of wording to enable the Board to be more flexible with the allocation of Branch liaison responsibilities, including President and Vice-President who were previously excluded by the rules;
 - wording to ensure a quorum would always be required for decision-making.

There was considerable discussion at Council about a paper that had been circulated nationally by the Waikato King Country Branch, which updated earlier Branch work on GSA's finances and future direction within the context of membership decline, corresponding loss of income and the increased cost of running the GSA. Within this context a Board motion to make a small increase in the membership subscription (a proposed increase of \$3.90 per year) to help compensate for lost revenue was lost in the Council vote. The Waikato King Country Branch indicated that they would advance their work in preparation for 2020 Council and the Board was directed by Council to prioritise work on planning for the future work and viability of the organisation with concerted membership efforts together with financial modelling for consideration over the next few years.

If YOU would like to provide a view on future requests for subscription changes your feedback will be appreciated and useful. Email or post your comments to the Executive Officer who will ensure they are considered by the Board as part of progressing this work prior to next Council meeting.



GSA Board

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

Two long-serving GSA Board members, both from Wellington Branch, were recognised by Council and thanked for their consideration contribution to GSA over many years.



Bill Robertson was on the Board (including previous Executive Committee) from 1997 to 2019, including as Association President for 2 years. Such memory and insight are invaluable, and the new Board is grateful that Bill will continue to be available for input and representation – for example of 100% COLA and the Incorporated Societies legislation.



Bryan Whisker was on the previous Executive Committee in 2009 and on the Board from 2013 to 2019, taking a particular interest in GSA recruitment. Bryan served for 3 years as Vice-President from 2016 to 2018. He continues as a co-opted member of the Wellington Branch Committee representing Wairarapa member interests.

Current Board priorities are to:

- follow up with Government on the Finance and Select Committee report on pre-1985 100% COLA;
- continue futures planning to ensure an effective and viable organisation able to effectively represent member interests as member numbers continue to reduce;
- support the 19 GSA Branches to most effectively manage their role in support of the membership;
- advance a recruitment strategy that encourages remaining contributors to the Government Superannuation Fund to join the Association, with a focus in the coming year on the Education sector, which was not reached by the initiative facilitated by the State Services Commission in 2018;
- continue current work on ensuring effective and transparent financial planning and budget management, including the management of risk;
- plan for the 2020 centennial celebrations, including completion of the GSA history publication;
- ensure GSA's employment processes and obligations meet legal requirements and good practice standards.

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

The Government Superannuation Fund Authority (GSFA)

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

Last month pre-annuitants received information on the calculation of retirement allowances. We encourage anyone thinking about their retirement planning and annuity options to contact Datacom for calculation of allowances to assist your planning. The excellent information they provide can model different options for you so you can make the best decision for your circumstances.

Refer <http://www.gsfa.govt.nz/> for up to date GSFA information, including following:

- a letter from the new Board Chair, Anne Blackburn dated 4 September, which provides an update on the current financial position of the Fund, an update on Board membership and summarises key communication and information sources. The importance of the GSFA website is emphasised as an invaluable source of information, including booklets and pamphlets. Annuitants and pre-annuitants are urged to keep their contact details up to date with Datacom and there is a “personal details form” for this purpose;
- the GSF Statement of Performance Expectations for the Year Commencing 1 July 2019 which outlines outputs and achievement measures to support the effective management and administration of the Fund and Schemes in accordance with the Act.

The Government Superannuation Appeals Board

The Government Superannuation Appeals Board was established under the Government Superannuation Fund Amendment Act 1995. The function of the Board is to hear and determine appeals arising from decisions made by the GSFA. Its members are appointed by the Minister of Finance and represent contributors, beneficiaries and employers. GSA is currently not represented, an issue we continue to pursue with the Minister of Finance as we have been represented for many years. The GSA can support GSA members in their appeals if it is considered that the case is worth pursuing and it is practicable to do so.

Membership



As at 1 October this year GSA membership totaled 25,976, comprising 565 pre-annuitants, 448 pre-annuitant spouses, 13,811 annuitants, 6,988 annuitant spouses, and 4,164 surviving spouses.

As well as attracting annuitants who are not yet GSA members, having remaining pre-annuitants join the Association continues to be a priority. Those working in education agencies represent a large percentage of these and are working on the most effective ways to reach these people to encourage them to join.

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

- promote your branch activities within other organisations and occasions you are involved with;
- ask National Office or your Branch Secretary for a copy of a GSA recruitment poster to place on local noticeboards;
- ensure spouses/partners of members who die continue their membership in their own right for Association support and involvement;
- participate in your Branch activities to encourage local membership.

Help protect your annuity

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

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

A couple sharing an annuity pays one subscription.



Are you prepared?

There is no time like now to do the personal planning we put off until another day. If you don't have them already, request the following documents from your Branch Secretary:

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

- information on Government superannuation and the basis for the tax paid status
- annuitant spouse/partner entitlements and options for annuitant decision making
- processes to follow on the death of an annuitant
- information on the role of the Government Superannuitants Association and the ongoing benefits of membership for contributors still in the workforce and for annuitants, together with their spouses
- information about where to go for financial assistance including Work and Income, Residential Care and Rates subsidies.

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

Relationship status

You do not have to be married or in a civil union for them to be entitled to a surviving spouse annuity should you die first. Datacom, on behalf of the GSFA will need to satisfy themselves of the nature of any relationship at the time of death. Don't leave it too late to understand the information Datacom will need and to have it ready well before age and coping with bereavement make this very difficult. Be ready to be able to produce at the time of the annuitant's death documents for at least the last 5 years: shared bank account information (or proof of shared finances), proof of shared property and/or assets, bill payments, and correspondence addressed to you both.

The option of assignment

A number of members have asked about this option recently. This is a decision that needs to be taken with care. Datacom provide a form for completion. The following information has been provided to us from Datacom:

- The Datacom process is to send the member an estimate of an assignment before actioning, as once it is done the election becomes permanent and cannot be changed in future;
- Election can be made at retirement, or any time thereafter. The election is payable for life. If the annuitant dies, the assignee continues to receive the assignment until they die. It is important to note that should the assignee die before the annuitant the assigned amount is not returned to the annuitant;
- You can assign a maximum of 50% of your allowance and can split this to as many people as you wish. They do not need to be related to the annuitant. The assignee allowance is actuarially adjusted, so if you assigned 50% to your child who was say 30 years younger, they would not receive 50% of what you receive, it would be significantly lower as it is expected to be payable for roughly 30 years longer than the original members. Gender also effects this with women having a longer life expectancy than men.



Government Superannuitants Association history project: update from historian Roger Openshaw

There has been continued excellent progress on the preparation of the history of the GSA, in readiness for 2020 centennial celebrations.

The book is in final draft stage with the Board about to make decisions on a publisher.

The book will be launched at the 2020 Council meeting for national acknowledgement of the age and service of the Association to members since 1920. Branches will then have their own local celebrations as part of branch activities between Council meeting and the end of the year. The historian, Emeritus Professor Roger Openshaw, will be involved in the national launch and a number of events around the country. Watch this space.



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

These questions and answers below are based on a selection from previous issues of "Annuity News". A fuller version is now available on the GSA website. Useful websites for finding out more:

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

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

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

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

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

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

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

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

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

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

There are many variations in individual circumstances so it is important to check specific rules directly with MSD so you are sure you are acting on the correct information. Refer Work and Income website for information:

<https://www.workandincome.govt.nz/eligibility/seniors/index.html> or phone them on **0800-559 009** or **0800-552 002**. If you have any issues with advice you are receiving don't hesitate to contact National Office and we may be able to clarify things with agencies on your behalf.

Q *What aspects of my remuneration will be deemed to be salary for superannuation purposes?*

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

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

A Further information from April issue: Information on the UK Government website will help you clarify your tax situation. Refer <https://www.gov.uk/tax-foreign-income/taxed-twice>.

- NZ citizens in the UK should not pay any tax on their GSF or NPF annuity;
- if a member who is not a UK resident has paid tax, they can claim it back;
- if a member has become a UK resident it is still possible to claim a refund for any tax paid in the UK on their annuity by claiming an exemption quoting personal details and stating that the annuity has already been reduced by 30% for tax purposes in New Zealand;
- this can be done online, phone or by post.

Refer <https://www.gov.uk/government/organisations/hm-revenue-customs/contact/income-tax-enquiries-for-individuals-pensioners-and-employees#post-title>

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

Phone: +44 135 535 9022.

Have you seen the latest Ministry of Social Development's online SuperSeniors newsletter?

For the October issue go to <http://superseniors.msd.govt.nz/webadmin/html/email/superseniors-october-2019.html>

To sign up go to https://msdsupport.custhelp.com/app/forms/email_update

Do you subscribe to "Insights in Age and Work"? To subscribe go to <https://partnersinchange.co.nz/> and the option to subscribe to E-News is at the bottom of the home page.

GSA Branch activities

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

We encourage you to get involved.

A choir is made up of many voices, including yours and mine. If one by one all go silent then all that will be left are the soloists. Don't let a loud few determine the nature of the sound".

GSA website www.gsa.org.nz

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

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

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

Annuity Paydays

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

IMPACT OF POSTAGE INCREASE ON EVERYONE

From 1 July postage increased by 8.3%, which is having budget consequences for us all, including GSA. If you would like to change to receive Annuity News and your Branch newsletter by email rather than post let Karen Knobloch, our Office Manager, know by emailing her at national@gsa.org.nz, and she will change your record.

Annuity News is published by The Government Superannuitants Association of New Zealand Inc.
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Printed by Pivotal Thames, 35 Martin Square, Wellington.

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Useful Contacts

GSA freephone

0800 888 472

Annuity administration:

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

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

Do we have your correct details?

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

Remember to tell Datacom!