

# Contributory Scheme Life Pension



## What is a Contributory Scheme Life Pension?

- ▶ a Contributory Scheme Life Pension is paid for life
- ▶ it provides a regular income which is adjusted twice yearly in line with inflation
- ▶ your retirement income is not affected by the Fund's investment performance
- ▶ two thirds of your Contributory Scheme Life Pension may be payable to your surviving partner on your death (see 'What happens to my Contributory Scheme Life Pension when I die?' for further details).

## What are the different types of Life Pension?

If you joined the Contributory Scheme **prior to 1 July 1994** your pension is reversionary and calculated using a pension conversion factor of 12.

If you are a member who joined the Contributory Scheme **on and after 1 July 1994** you have the option of purchasing a reversionary or non-reversionary pension:

- 1 a Reversionary Contributory Scheme Life Pension is calculated using actuarial pension factors based on life expectancy. It provides for the payment of a reversionary pension to your surviving partner on your death.
- 2 a Non-reversionary Contributory Scheme Life Pension is calculated using actuarial pension factors based on life expectancy. No reversionary pension or other benefit is payable to your surviving partner on your death.

Further details on how the Contributory Scheme Life Pensions are calculated can be found in the 'Contributory Scheme: Member Booklet' by visiting [www.rbf.com.au](http://www.rbf.com.au).

## Can I make changes to my Contributory Scheme Life Pension once it has started being paid?

Once you are receiving a Contributory Scheme Life Pension you cannot:

- ▶ make additional contributions to your Contributory Scheme Life Pension;
- ▶ vary the gross amount of your pension; or
- ▶ make lump sum withdrawals.

## How is my pension indexed?

The Consumer Price Index (CPI) is a measure that tracks changes in the price of goods and services and is also used as a measure of inflation and for adjusting pension payments to assist with increases in living costs.

RBF pensions are indexed twice yearly in accordance with increases in the rate of inflation as measured by movements in the CPI for all groups, all capital cities. Your RBF Pension is adjusted every half year, in line with the regulations. Any adjustment is applied from the first pension payment in January and July. If the CPI is negative the percentage change will be declared as zero and your pension payment will remain at the same amount until the next positive CPI increase.

Adjustments to your pension payment due to indexation can alter your assessable income for tax purposes. This may impact on the amount of PAYG tax deducted from your pension.

## What happens to my Contributory Scheme Life Pension when I die?

If you have a reversionary RBF Life pension your surviving partner will be entitled to a pension if you die, refer below for more detail. If you have a non-reversionary pension, your entitlement will cease when you die.

## Surviving Partner Definition

Under RBF regulations, a surviving partner is a person who the Commission is satisfied that at the time of a pensioner's death, was either married to, or in a significant relationship (within the meaning of the *Relationships Act 2003*) with the deceased, and who was, in the opinion of the Commission, at the time of the RBF member's death:

- (a) living with the member on a genuine domestic basis and is receiving significant financial support from the member; or
- (b) does not meet the definition in (a) but is living with the member on a genuine domestic basis; or
- (c) does not meet the definition in (a) and (b), but for a medical reason or because of the care needed to be provided to the person, would have been living with the member; or
- (d) does not meet the definition in (a), (b) or (c) but is receiving significant financial support from the member.

When you die, your surviving partner should contact us by calling the RBF Enquiry Line on **1800 622 631**. We will explain the process to them and issue a letter containing the application form and some further information on the documentary evidence required to support their application.

The surviving partner may be able to take the pension as a:

- ▶ lump sum (if an election is made to take it as a lump sum within three months from the date the Commission determines they are the surviving partner); or
- ▶ a Contributory Scheme Life Pension (which will be two-thirds of the pension you were being paid immediately before your death); or
- ▶ a combination of a Contributory Scheme Life Pension and a lump sum.

The amount of the lump sum benefit payable is based on the pension paid before death.

If you die while you are receiving a reversionary Contributory Scheme Life Pension and you do not have a surviving partner your Contributory Scheme Life Pension will end.

If you have elected to receive a non-reversionary Contributory Scheme Life Pension your pension will end when you die.

Any pension entitlements being paid to a surviving partner will end when they die.

## Can I give you the details of my surviving partner now?

Yes, if you hold a reversionary life pension you can make a declaration now in respect to your surviving partner. By providing us with a signed declaration form and some supporting documents, if you die the Commission can then use this information to determine if your partner is eligible to receive a Provisional Surviving Partner Pension (payable for up to six months). This gives your declared partner some time to be able to formally apply and gather the evidence for a Surviving Partner pension.

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The Superannuation Commission is not licensed to provide financial advice to RBF members. If you would like general information about your super you can make an appointment with one of RBF's Superannuation Consultants; simply contact the RBF Enquiry Line on **1800 622 631**. At RBF, we strive to provide accurate and up-to-date information to our members. However, things may have changed since this fact sheet was published and some of the information may no longer be correct. If there are mistakes or omissions in the information, we reserve the right to correct those errors or omissions. The governing rules of RBF will prevail over any misstatement in this fact sheet.

Information contained in this fact sheet may be updated at any time without prior notification to you. Updated information can be downloaded from our website at [www.rbf.com.au](http://www.rbf.com.au). A hard copy can also be posted free of charge by calling the RBF Enquiry Line on **1800 622 631**. The privacy and confidentiality of your personal information is important to RBF. We hold your personal information securely and use it only for the purposes described in the RBF 'Privacy Policy', available on the RBF website at [www.rbf.com.au](http://www.rbf.com.au).

Your personal information, including sensitive information, may be transferred between RBF and RBF's administrator Australian Administrative Services Pty Ltd (ABN 62 003 429 114). AASs Privacy Policy is also available on the RBF website at [www.rbf.com.au](http://www.rbf.com.au).

It is important to know that, in the event of your death RBF is not bound by your declaration and your partner must still provide the required evidence in order to be determined as your surviving partner by the Commission.

## What information will I receive from RBF about my Contributory Scheme Life Pension?

If you elect to receive all or part of your retirement benefit as a Contributory Scheme Life Pension, you will receive a letter from RBF each January and July to notify you of the value of your pension following any Consumer Price Index adjustments.

You will also receive a 'PAYG payment summary – super income stream' statement at the end of each financial year when you have assessable income. A Centrelink schedule can also be provided upon request.

## Need help?

If you would like further details about your benefit and options, please contact the RBF Enquiry Line on **1800 622 631**.

You can also:

- ▶ book a free consultation with an RBF Superannuation Consultant by phoning the RBF Enquiry Line on **1800 622 631**. Our friendly staff are also available to answer any enquiries you may have regarding your benefit
- ▶ explore your benefit options by reading RBF's brochures and fact sheets available on our website at [www.rbf.com.au](http://www.rbf.com.au).

## Related documents

- ▶ Reversionary Life Pension Surviving Partner Application Checklist.
- ▶ Reversionary Life Pension Partner Declaration Form

## Contacting RBF

Contact RBF if you would like additional information or assistance.

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| RBF Enquiry Line: | 1800 622 631 or<br>+61 2 8571 6868 (international)  |
| Visit:            | <a href="http://www.rbf.com.au">www.rbf.com.au</a>  |
| Write:            | RBF, Reply Paid 89418,<br>PARRAMATTA NSW 2124   |
| Email:            | <a href="mailto:RBF.enquiries@treasury.tas.gov.au">RBF.enquiries@treasury.tas.gov.au</a>                    |
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