

Message from the Director

The first six months of 2017 has been a period of significant change for those delivering your defined benefits superannuation schemes.



With the wind-up of the RBF Board and the establishment of the new Superannuation Commission, the day-to-day management of the defined benefits schemes is now undertaken by a Branch of Treasury, called the Office of the Superannuation Commission (OSC). Some of the major areas of work for the OSC, over and above business-as-usual service delivery, have included:

- ▶ implementing a new approach to managing the investment of the Retirement Benefits Fund, which is now close to \$2 billion (see below);
- ▶ preparing for a switch in our outsourced member administration services, which is scheduled for early next year;
- ▶ developing new governance frameworks with the Superannuation Commission that will provide fit-for-purpose oversight of the operations of the schemes and assurance that the Commission's legislative and scheme-related responsibilities are being met.

From my perspective, the sharpened focus of the team in delivering only the defined benefit schemes has provided additional clarity in what the OSC is here to do. We are re-thinking our approaches across all aspects of our business to deliver cost-efficient service delivery to the members of the schemes.

We will provide more information on the member administration changes in future editions. This provides the opportunity to improve the service delivery experience for members in key processes, and this is one of our goals as we move forward with a new service provider.

Adrian Christian

Director – Office of the Superannuation Commission

Investment Update

The Commission is the trustee of the Retirement Benefits Fund, which is the funded assets of the RBF Contributory Scheme, the Tasmanian Ambulance Service Superannuation Scheme, the State Fire Service Superannuation Scheme, the Parliamentary Superannuation Fund and the Parliamentary Retiring Benefits Fund.

As part of the Government's reform design, the Commission has adopted an implemented consultant model with respect to the management of its investments. Under this arrangement, the Commission works with the consultant to determine its overall investment objectives and risk tolerances and sets a strategic asset allocation. The Commission then invests directly with the consultant in the Commission's chosen asset classes, rather than appointing and managing its own fund managers directly (which is the model that was adopted by RBF).

Russell Investments was the successful tenderer for the implemented investment consultant role. Russell Investments is a global business directly managing more than \$328 billion in assets and advising on more than \$US2 trillion. Russell Investments Australia was an early provider of implemented consultancy services in 1997, and currently works with around 20 superannuation funds in Australia, around half of which operate defined benefit schemes.

Given that members benefits are generally defined in regulations (or the Trust Deeds in relation to the Ambulance and Fire Services Schemes), member's entitlements are generally independent of the investment performance of the Fund. What does fundamentally vary with investment performance is the degree to which the Government is required to fund the emerging costs of benefits – the stronger the earnings of the Fund, the lower is the annual call on the Budget. It is interesting to note that for this financial year, the State Budget will fund 84.5% of each new pension/lump sum that is crystallised under the Contributory Scheme (with the Fund providing the other 15.5%).



RBF's Tasmanian Accumulation Scheme has transferred to Tasplan



How will this recent change affect me?

From 1 April 2017, if you were a defined benefit member of RBF, the responsibility for the management and administration of your super or life pension was transferred from the RBF Board to the newly formed Superannuation Commission.

The Superannuation Commission is supported by the Office of the Superannuation Commission, a branch of the Tasmanian Department of Treasury and Finance. The Superannuation Commission is now responsible for all the RBF defined benefit schemes and will oversee the administration of the:

- ▶ Contributory Scheme, including Contributory Scheme Life Pensions;
- ▶ State Fire Commission Superannuation Scheme;
- ▶ Tasmanian Ambulance Service Superannuation Scheme;
- ▶ Parliamentary Superannuation Fund; and
- ▶ Parliamentary Retiring Benefits Fund.

Some defined benefit members may have also held an RBF Investment Account in the RBF Tasmanian Accumulation Scheme. If this was the case for you, your accumulation account was transferred to Tasplan, so as at 1 April 2017, you may have accounts with both Tasplan and RBF.

These changes have not impacted the day-to-day running of your account membership, in relation to your defined benefits.

There are no changes to any of the design elements of the defined benefit schemes or member entitlements as part of these changes – these changes were the implementation of the Tasmanian Government's wider public sector superannuation reforms, which has seen the Government retain responsibility for the defined benefit schemes.



What now?

You don't need to do anything, it is business-as-usual for all RBF Defined Benefit accounts and Life Pension members. You can still access fund information through your online account at www.rbf.com.au and the RBF Enquiry Line is still here to help on **1800 622 631**.

2017 MEMBER BENEFIT STATEMENTS

Make the most of your member benefit statement

You would have now received your 2017 Member Benefit Statement. This is a great time to check your balance and member benefits.

We have some simple tips for making the most of your Member Benefit Statement:

1. Learn one new thing about your benefit;
2. Check your personal details, making sure they're up to date and correct;
3. Check you've provided your tax file number to RBF;
4. Check that your Death Benefit nomination has been recorded correctly;
5. Consider your long term retirement plan.

Member Benefit Statements are a great snapshot of your current financial position and a valuable reminder to check that you are on track to reaching your retirement goals.

Want more information?

The RBF website is a great resource for all things super. It's accessible and easy to read. Start by checking out our Building my super and Understanding super pages by visiting www.rbf.com.au > **Super** > **Understanding super**

Super's latest shake up!



NEW SUPER RULES EFFECTIVE FROM 1 JULY 2017

Australia's superannuation system has recently undergone its biggest shake up in a decade. Five significant changes came into effect from 1 July 2017. Below are some details on the changes that may relate to your defined benefit account or pension. You may need to seek further advice from a financial planner or a tax advisor.

1 Reduced concessional (before-tax) contributions

The concessional contribution cap for before-tax super contributions – including employer Superannuation Guarantee payments and salary sacrifice – dropped to \$25,000 a year for everyone; down from \$30,000 for those aged under 50 and \$35,000 for those 50 or older.

The change will make it more difficult to boost your super quickly in the years leading up to retirement, so you'll need to start thinking about super earlier in your career.

2 Reduced non-concessional (after-tax) contributions

After-tax superannuation caps dropped to \$100,000 a year, down from \$180,000. Those aged under 65 will still be able to "bring forward" three years of after-tax contributions, but the limit will be reduced to \$300,000, down from \$540,000.

Under the new rules, you won't be able to make any non-concessional contributions once your total super balance reaches \$1.6 million.

3 Introduction of the \$1.6m transfer balance cap

For the 2017-18 financial year there is now a transfer balance cap of \$1.6 million which applies to the amount of super that can be transferred to tax-free retirement phase income streams. RBF defined benefit members are not able to transfer or remove excess amounts from their RBF Life Pension and different tax rules will apply.

4 Tax treatment of defined benefit pensions in excess of \$100,000

If your RBF Life Pension is more than \$100,000, you may need to lodge a tax return and you may have to pay tax on the excess. More detailed information is available at www.rbf.com.au.

5 Introducing catch up contributions

From 1 July 2018, super customers will be able to "carry forward" any unused concessional cap amounts for up to five financial years. This change will apply to people with total super balances of less than \$500,000.

Unused amounts "carried forward" can only be used in subsequent years, so the first year in which you'll be able to access the ability to contribute more than the normal cap is 2019-20.

Catch up contributions could be helpful for those who take time out of work, for those with an income that varies considerably from one year to the next, or for those with circumstances that have changed and are now in a position to increase their contributions to superannuation.

Understanding what the new rules mean for you

If you'd like more information about any of these changes, visit our website at www.rbf.com.au or speak with an RBF Superannuation Consultant by phoning the RBF Enquiry Line on **1800 622 631**.



Do you receive, or will you be eligible for, a defined benefit pension when you retire?

If so, the Tasmanian Association of State Superannuants Inc can help you.

The Tasmanian Association of State Superannuants Inc is a voluntary organisation which represents and promotes the best interests of RBF superannuants. It includes those people who have retired from the public sector and are in receipt of an RBF Life Pension, or those that are still working and are members of the Contributory Scheme.

For more information, and to join, please visit our website www.tass.org.au, or phone **0448 731 845**.





Our Launceston office has moved!

In April this year we relocated our Launceston office to Level 3, Henty House, 1 Civic Square Launceston, while still servicing Burnie and Devonport members by appointment.

Our Launceston office hours are 8.45am to 5.00pm Monday to Friday or alternatively you can call the RBF Enquiry Line on **1800 622 631** between the hours of 8am and 7pm Monday to Friday.

We look forward to welcoming you at Henty House!



Your member news is going digital

Reducing waste is a great way to help the environment and can easily be done. We have decided to do our bit by making our next member newsletter web-based only. This will make our little publication both environmentally friendly and economically savvy, which is great news for everyone!

If you wish to continue to receive this newsletter, please update your communications preferences to 'all electronic' and include a valid email address to receive notifications.

Future editions of the newsletter will also be available on the RBF website at **www.rbf.com.au**.



Using your forms and factsheets

The member website is an invaluable resource for all your membership needs. Home to some insightful factsheets, topics range from general scheme information, family law and accessing your super early, to forms enabling you to provide your tax file number and make changes to your death benefit nominations. All these fact sheets and forms can be found online under the 'Tools and Forms' section of the **RBF member website**.

If you need assistance with matching the correct form with your particular request or completing any of the forms, contact an RBF Superannuation Consultant by phoning the RBF Enquiry Line on **1800 622 631**.

INTRODUCING

Chris Bevan and Leigh Mackey

As of 1 April 2017, the trustee of the Fund is the Superannuation Commission, which was established to oversee the administration of the public sector defined benefit schemes in Tasmania. In our last issue, we introduced Ms Kerry Adby as Chair of the Superannuation Commission. Effective 1 April 2017, Ms Leigh Mackey and Mr Chris Bevan commenced their roles as Commissioners within the Superannuation Commission.



Chris Bevan

Chris Bevan started in the public sector in 1972 as a junior staff member within the Public Works Department. Chris then transferred to Forestry Tasmania in 1981 where he worked across the state in a range of positions (including Paymaster and Industrial Relations Advisor) until 2002 when he commenced his retirement.

Chris has been Chairman of the Workskills Board since 2005 and is the current President of the Tasmanian Association of State Superannuants (TASS).



Leigh Mackey

Leigh Mackey is a partner of legal firm Ogilvie Jennings and has been practicing law since 1992 when she was admitted to the Supreme Court of Tasmania and the High Court of Australia. Leigh specialises in injuries and compensation litigation. Leigh was a member of the RBF Board from 12 October 2015 to 31 March 2017.

Leigh is the legal member of the Work Cover Board and the Tasmanian Medical Board, Deputy Chair of the Parole Board and a lecturer in workers compensation at the Legal Practice Course.

Issued by the Superannuation Commission (ABN 93 598 914 092) as trustee of the Retirement Benefits Fund (ABN 51 737 334 954). For further information in relation to whether to acquire or hold the Products referred to, please read the relevant Member Booklet and Fact sheets available at **www.rbf.com.au** or by contacting RBF on **1800 622 631**. This document contains information or advice that is intended to be general in nature and which was prepared without taking into account your personal objectives, financial situation or needs. Because of that, before acting on any information or advice in this document, please consider whether it is appropriate to your personal circumstances, talk to a financial adviser and consider the relevant Member Booklet and Fact sheets before making a decision. If there are any mistakes or omissions in the information, we reserve the right to correct those errors or omissions. The governing rules of RBF prevail over any misstatement in this newsletter.

We hold your personal information securely and use it only for the purposes described in the RBF Privacy Policy Statement, available on the RBF website at **www.rbf.com.au**. If you would like a copy or if you would like to access or update the personal information we hold about you, please contact our Privacy Officer on **1800 622 631**.

Contacting RBF

Contact RBF if you would like additional information or assistance.

RBF Enquiry Line: 1800 622 631 or
+61 3 8687 1863 (international)

Visit: www.rbf.com.au

Fax: (03) 9245 5827 or
+61 3 9245 5827 (international)

Write: RBF, Reply Paid 446, Hobart TAS 7001

Offices: Ground Floor, 21 Kirksway Place, Hobart
Level 3, Henty House, 1 Civic Square, Launceston