msav medical scientists association of victoria

ahp association of hospital pharmacists

vpa victorian psychologists association inc

Stat Report 2015/19

In this week's STAT Report we consider a number of the big issues around superannuation. With the Abbott Government making some big changes to superannuation, it's important to consider how these changes will impact you. That's why this week's edition of STAT Report is mostly about superannuation so you are aware of some of the changes and can seek further advice from your superannuation fund.

Superannuation Guarantee Payments Frozen by Abbott government

The superannuation guarantee contribution (SGC), which is the amount your employer is required to contribute to your superannuation, was due to rise from 9.5% to 12% over the period from now until 2019.

However the Abbott Government has frozen the SGC at 9.5% until 2017/2018 before increasing it by 0.5% each year until it reaches 12% in 2022/23

In effect this measure will limit the ability   wage and salary earners to grow their retirement savings over that period of time through their employer's contributions via the SGC..

The cut to the growth of the SGC is made worse for low income earners by another measure buried in the Budget details – the repeal of the Low Income Super Contribution (LISC).

Low Income Super Contribution Scheme

The Low Income Super Contribution acts as a 'tax rebate' of up to $500 compensating workers earning up to $37,000 per annum for the tax they have paid on their compulsory super contributions.

The repeal of the LISC will affect about 3.6 million Australian workers; approximately one third of working Australians, almost 80% of female part-time workers and about 40% of rural based workers. It will affect working mums, labourers, students, and apprentices.

Repealing the LISC means low income earners will be the only group of working Australians who do not receive a tax concession on their super contributions; and will be taxed more on their super contributions than on their take home pay.

By removing the LISC, we know it will have a huge, negative impact on some of our members and their ability to save for retirement.

The LISC helped ensure low-income earners can build a better future for themselves and now will have less certainty in their retirement courtesy of the Abbott Government.

The impact on the abolition of the LISC will fall most heavily on women, as women are more likely to work part-time than are men, and therefore are more likely to earn less than $37,000 per year.

Federal government looking to take Superannuation Contribution information off payslips

Not only does the Abbott government want to reduce your superannuation contributions – Treasury has recommended that information about the amount your employer has paid in super off your pay slip.

This would prevent you from querying your superannuation payments, which are in fact part of your total remuneration.

We know that many employers avoid paying the SGC that their employees are entitled to. To take the capacity of employees to hold employers to account for non-payment of SGC by taking the reporting of payments off payslips would be unconscionable.

This information is provided as a general guide only and should not be relied on as advice – you should seek advice and information from your own superannuation fund or financial advisor.

Closing the gender gap on superannuation

The latest ABS statistics showed that the pay gap between men and women sits at 19%. The pay gap during a woman's working life then translates into a massive superannuation chasm of 47% on current estimates.

Women are currently retiring with an average $90,000 less than men and 29% of women over 65 live below the poverty line. This is due to women still being paid less for performing the same or comparable work and therefore their employers contribute less to their superannuation. And because the super contribution is invested and compounds over the long term, the pay gap converts into an even bigger gap for women at retirement.

Several generations of women are already facing a significant disadvantage at the time of their retirement because Australia's gender pay gap has been stuck between 15% and 19% for two decades. The current 47% super chasm translates into an average superannuation balance at the time of retirement for women of $105,000 compared to $197,000 for men. And by 2030, the gap is still expected to be 39% with average balances projected to be $262,000 for women, and $432,000 for men.

A number of other factors contribute to poorer retirement outcomes for women including fragmented patterns of paid work when women take primary responsibility for family care. Then you need to also consider that:

- a majority of part-time and casual workers are women in generally lower paid positions
- women disproportionately work in occupations such as administrative, community services and sales which historically pay less than male-dominated occupations
- fewer women occupy senior executive and board-level positions
- women typically retire earlier than men on average and live longer than men – up to 4.4 years longer for a woman born today

To ensure that women are not left even further behind in their superannuation, the Abbott Government must retain the the Low Income Super Contribution (LISC) beyond 2017. This is especially an important point as approximately 45% of women in the Australian workforce are eligible for this payment, which would have made a huge difference to their retirement nest eggs.

After a lifetime of working, and caring for their families, no Australian woman should be retiring in poverty.

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Thousands of employees not getting Superannuation Guarantee

Research from Tria Partners released last year found that employer non-payment of the Superannuation Guarantee (SG) affects around 650,000 Australian workers, leaving them out of pocket collectively to the tune of almost $2.5 billion annually.

The research found that the average loses were around $3,750 per annum in superannuation, or around 9 months' worth of super for someone on average weekly earnings.

The loss of super impacts more heavily on younger and lower-income Australians. For a 25 year old, a one-off loss of this magnitude could equate to a loss of $13,500 at retirement in today's dollars. Those in more vulnerable circumstances, industries or employment modes may endure multiple losses throughout their working life.

By law, your employer is required to pay 9.5 per cent of your salary into your superannuation account, and at least quarterly. If you have any doubts about whether or not your super is being paid correctly, contact your fund and they will be able to let you know the timing and amount of your recent super payments.

The key message: Check your super account(s) frequently and advise either your employer or the ATO if payments are incorrect or missing.

Did you know that you have to advise your Super Fund about who you want to receive the money payable by the Fund if you die?

Many people do not realise that they have to advise their super fund who they want to have their superannuation death benefit paid. This nomination is separate from your will. You have to advise your super fund in writing about to whom you want to distribute your super (plus any insurance payable by your super fund).

If you do not make a binding nomination, the Trustees of the Fund do not have to follow your preferences.

The beneficiaries are restricted by law to your dependents including your spouse or de facto spouse (regardless of gender); your children or your spouse's children; adopted, step and ex-nuptual children or a person who the trustee of the fund considers was financially dependent on you at the date of death, and/or your personal legal representative.

If you have not made a binding nomination, the Trustee of the Fund will decide which of these dependents to pay the death benefits to.

Further information is available from HESTA and First State Super:

http://www.hesta.com.au/Media/docs/5053-Binding-death-benefit-nomination-form-09-14-57302e8f-fb5e-4e15-bc6f-4c24c2c7e432-4.PDF

http://www.firststatesuper.com.au/tmp/M3%2019_NomBenClaimDeathBen_Jun14%20v1.pdf

Remember, by nominating a beneficiary or beneficiaries to your super fund you can control how your benefits are distributed after death.

This information is provided as a general guide only and should not be relied on as advice – you should seek advice and information from your own superannuation fund about nominating your beneficiaries.

Industry Super or not Industry Super?

For a number of years, retail superannuation funds have been working hard to try to entice people away from industry and public sector superannuation funds such as HESTA and First State Super. Most Australian banks now offer some kind of superannuation product to the public.

At present HESTA and First State Super are nominated super funds under our agreements/EBAs.

It has been quite evident is that industry and public sector super funds have been outperforming retail super funds over the past 10 years. And at the end of the day it's the not-for-profit super funds that make sure that people's superannuation is generating the best outcomes for members in terms of net investment earnings.

Top 10 Performing Growth Funds* for 10 years to 31 December 2014 (%)

Ranking	**Super fund and investment option**	**10 years (% each year)**
1.	REST Core	7.7%
2.	Telstra Super Balanced	7.5%
3.	CBA Group Super Mix 70	7.5%
4.	CareSuper Balanced	7.4%
5.	AustralianSuper Balanced	7.3%
6.	QSuper Balanced	7.2%
7.	Cbus Growth	7.2%
8.	UniSuper Balanced	7.2%
9.	Catholic Super Balanced	7.2%
10.	BUSS (Q) Balanced Growth	7.1%

Source: Chant West, 20 January 2015 media release (www.chantwest.com.au)

**Performance is net of investment fees and taxes. The returns in the table are before any administration fees or adviser commissions are deducted. The performance data is based on Chant West figures, and the table ranking is based on individual investment options offered by a superannuation fund, and the investment options involved in the ranking process look after assets worth $1 billion or more.*

It seems pretty obvious to us that the best way to maximise your retirement savings is through investing in a not-for-profit, industry or public sector super fund. But as always you should seek out your own financial advice to take into consideration your own personal financial circumstances.

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Have your say on Cabrini Health bargaining claim

The current enterprise agreement with Cabrini Health is due to expire on 30 September this year. So it's time to get into the important work of developing the claim we take to the bargaining table with Cabrini Health in the next couple of months.

The Union has already held members' meetings and the next step is to quantify your views to build a claim that is widely supported. To make this happen we need all members at Cabrini Health to complete the bargaining survey.

You should have already received the survey in an email but in case you missed it, you can take the survey at: https://www.surveymonkey.com/r/cabrini2015

The survey will remain open for the next two weeks to give members plenty of time to provide a response, and to ensure that as many members as possible have the opportunity to participate in developing our claim.

The new EBA will govern your employment for a number of years. So, have your say today.

You can also use our online forum to explore the sorts of matters you'd like addressed in the next enterprise agreement. Head over to http://msav.org.au/forums/forum/bargaining-at-cabrini/ to join the forum but make sure you register first so you can have your say.

If you were registered on the old site you will need to register again on the new website.

Financial Year Ending and 2015/16 Fee Rates

The end of the financial year is rapidly approaching. And as is the case each year we want to make sure you get your tax invoices as soon as possible so you can avoid the end of financial year craziness. Plus it means you get your invoices sooner for your visit to your friendly tax agent – don't forget that your membership fees are tax deductible.

And with the end of financial year approaching we have reviewed the fees for 2015/2016. Here are the new fees for 2015/16.

MSAV	**inc-GST**
Full Time	$608.90
Part Time	$365.20
Sessional	$187.60
Non-working	$81.50

VPA Inc	
Full Time	$608.90
Part Time	$365.20
Non-working	$81.50
Student	$30.70
Sessional	$187.60
Private practice	$277.40

AHP	
Full Time	$565.60
Part Time	$339.40
Non-working	$81.50
Sessional	$113.10

Trainee $108.60

Women of Steel: Gender, Jobs and Justice at BHP

You are invited to a book launch and preview of the "Women of Steel: Gender, Jobs and Justice at BHP" film project

"Women of Steel" is the inspiring story of a landmark struggle by 34, mostly unemployed, migrant women for jobs in the male-dominated steel industry in Wollongong in the 1980s. Their victory changed the face of anti-discrimination law in Australia and their stories are an inspiration for all those campaigning for women's rights and against corporate greed today.

Our guest speaker will be Robynne Murphy from the 'Jobs for Women' film project.

Please RSVP to VTHC Women's Officer, Jennifer at jodonnellpirisi@vthc.org.au

Worth Reading: Budget 2015: The Winners and Losers

"Matching expectations, last month's federal budget received a more positive response than last year's. But perhaps, as Ross Gittins points out, this is simply because the cuts are less obvious than they were in 2014 and are targeted at groups regarded as "less deserving." ACOSS argues that this year's budget still fails the "fairness test," pointing out that it retains severe cuts to payments and programs from last year and in some cases links new spending measures to those stalled savings measures.

Modelling for the Labor Party by the National Centre for Social and Economic Modelling, or NATSEM, found low-income families could lose up to $3700 per year in 2015–16, and an increasing amount in subsequent years, under new measures in the budget and cuts still pending from last year. Using its "microsimulation" model, which both the Howard and Rudd–Gillard governments used as a policy tool, NATSEM estimated that by 2018–19 the lowest "quintile" (or 20 per cent) of couples would be 7 per cent worse off and the lowest quintile of lone parents would be 8 per cent worse off."

Read the entire article by Peter Whiteford and Daniel Nethery at Inside Story at: http://insidestory.org.au/budget-2015-the-winners-and-losers

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As a union member, you can take advantage of the collective buying power of more than 1.9 million members to get discounts on a great range of products and services.

ACTU Member Connect makes sure the products and services are from companies you can rely on to deliver high-quality products with reliable customer service.

There is more information about a range of other benefits union members can access at http://www.memberconnect.com.au/ or you can call ACTU Member Connect on 1300 362 223.

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The Union Aid Abroad-APHEDA 2015 Raffle is kindly sponsored by Turner Freeman Lawyers.

Report

Is there a copy of STAT Report on your Union noticeboard or in your staff room?

If not print out a copy and leave it on the noticeboard or in the staff room for your colleagues.

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