

# THE VOICE of Pensioners and Superannuants

3 February 2021

Will the pension go up in March?



YES! Yes!

It will, but not by much.

The highest previous Consumer Price Index (CPI) number to date was for March 2020 at 116.2, so the new December 2020 CPI number of 117.2 would produce an increase of a little over half a percent in the pension.

That's just under \$5 a fortnight for singles and just over \$7 a fortnight for couples combined.

That's in the bag, so to speak.

But there is another measure in addition to the CPI.

This is the Pensioner and Beneficiary Living Cost Index (PBLCI), which measures cost-of-living development for pensioners specifically.

If the PBLCI measure comes out higher than the CPI, then the PBLCI will be used to calculate the pension increase.

The new PBLCI number will be published next month.

If a \$5 increase disappoints you, remember, indexation will never produce spectacular increases unless inflation is spectacular.

Indexation is designed to maintain the purchasing power of the pension.

## Super could be super



WHAT you have to live on once work stops is too important to continue to be an issue fought over by just vested interests. We seem to be forgetting there's the small matter of super members and their wellbeing.

It really doesn't matter whether we contribute 9.5%, 12% or even 15% to superannuation. What matters is if we have enough to live on in retirement.

The recent retirement income review sets enough-to-live-on at between 60% and 70% of your wages. That's fine if you're on, say, \$90,000 a year, but what about the people who are on a minimum wage of \$39,200, provided they are fully employed, which few are? Does between \$23,500 and \$27,500 in retirement sound enough to you, when during your working life you haven't been making enough to buy a house and you will somehow have to find the money to rent until you die?

Instead of focussing on the compulsory contribution rate, super funds should be required to offer workers an integrated product. Funds should put together offers that spell out what level of income you will get in retirement for what level of contribution and to what extent the Age Pension will supplement your superannuation pension.

Incredibly, this is not generally on offer right now.

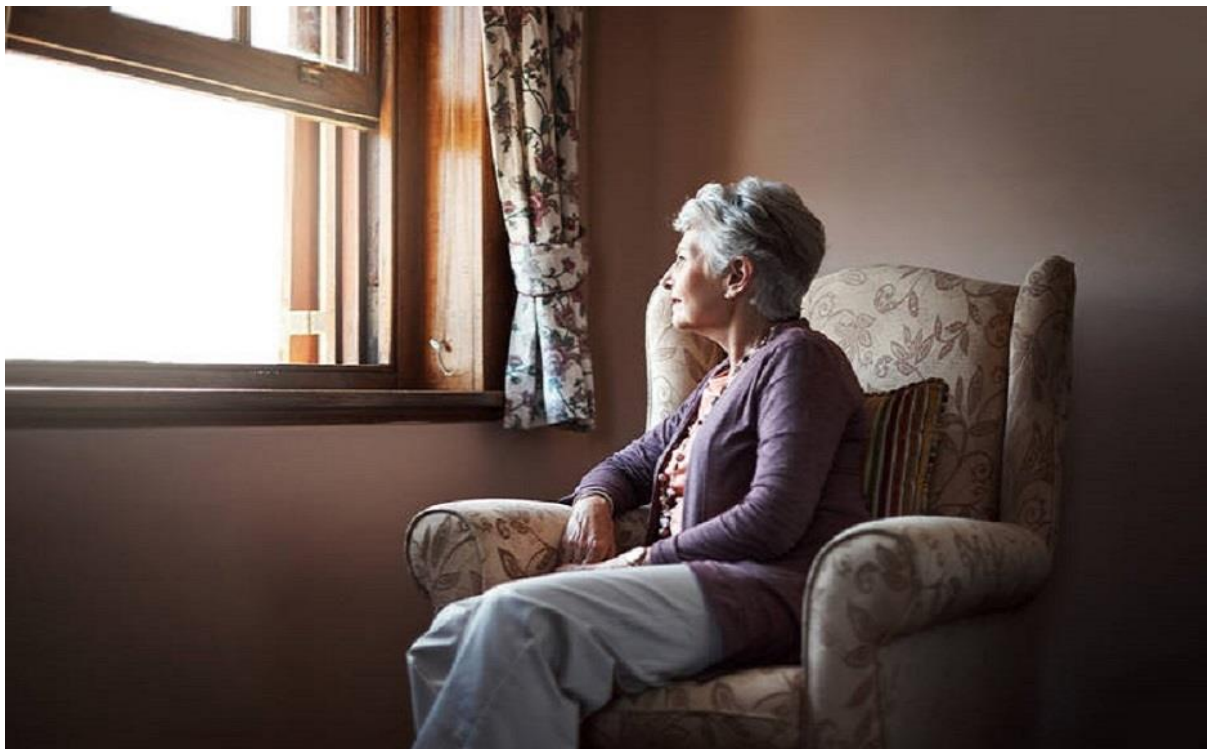
You go with a certain super fund while you are working but neither you nor your fund has the slightest idea how all your contributions and investment earnings are going to be used to ensure you have enough to live on until you die.

Rather than spruiking their investment returns, funds should be explaining their pension plans to workers. Trouble is, funds generally don't have anything meaningful to say in that regard. It's about time they got cracking.

At the same time, the Australian Government should set an adequate retirement income level and review it periodically. This adequate retirement level should be tied to the availability of tax breaks which currently and very disproportionately favour the wealthy.

Think of all the savings the Government would achieve once it stops using tax breaks to stuff the super balances of people who would also be perfectly alright without tax breaks. Those savings might even fund a permanent increase in the Age Pension and the JobSeeker Payment (over 318,000 people over 55 are forcibly retired with little chance of finding a job).

### **Are self-managed home care packages a good idea?**



PEOPLE often ask about 'self-managed' Home Care Packages they see advertised. Is 'self-managed' a good idea?

This is generally how it works.

You go onto an aged care worker recruitment website to find an aged care worker with the experience and qualifications needed to do the care work you need done. Once you have found someone who works out, that worker will then come to you all the time.

The companies which run these recruitment websites will tell you that in this way you will get more hours than you would with a Home Care Package provider, plus you get someone who you are happy with.

That's not a bad story and in many cases it will work out this way.

But there are a few things you should be aware of.

First, you will still have to find a Home Care Package provider, who will receive the care subsidies the Government pays you and who will also receive any care fee contributions you are required to make. This provider does nothing else. It just pays money to the recruitment website company, which will then pay your worker.

The rest you manage. That's okay if you are able to, but if you have care needs beyond help around the house, chances are that it quickly gets too much.

In such cases, the care worker manages themselves without, or very little, oversight or scrutiny. A recipe for disaster.

Second, the contract is between you and the worker. This makes you an employer of a casual worker.

If anything goes wrong, it's between you and the worker to resolve.

If the issue can't be resolved, the Home Care Package provider who pays the recruitment company which pays the worker won't lift a finger. Neither will the recruitment company.

If you go to the regulator, the regulator will contact your approved Home Care Package provider, who will point out that it is not a party to the contract you have. The recruitment company would say the same thing, only the regulator would not even contact them because the recruitment company is not an approved provider.

You would be on your own.

Self-managed home care is a bit like driving a car un-registered and un-insured.

Self-managed home care was scrutinised by the Aged Care Royal Commission and recognised as in need of reform. No doubt the Commission's final report (out on 26 February) will make recommendations to address the glaring possibility for things to go very wrong in self-managed home care.

## Second NSW Regional Seniors Travel Card now available



WHY they're not sending the second NSW Regional Seniors Travel Card to everyone who got one in 2020 automatically is anybody's guess, but there you have it.

You must apply again if you want the second card.

If you have just become eligible, the second card will be your first, obviously, and will give you the opportunity to spend \$250 on fuel, taxis and pre-booked TrainLink fares. Eligibility depends on either being an Age Pensioner, a holder of the Commonwealth Seniors Health Card, or a holder of the Department of Veterans' Affairs Gold Card.

You also must live outside greater Sydney, Newcastle and Wollongong.

As things stand, the second card will be the last one, but who knows what might happen.

There's plenty of time to apply for the second card: between 18 January 2021 and 30 November 2021.

The card is valid for 14 months from the date the card is issued. The expiry date is shown on the front of the card.

The same goes for your first card if you have one. Once the expiry date is reached any money left on the card will be returned to the NSW Government and will not be recoverable. So make sure you spend your \$250 before your card expires.

To apply for the Card, call Service NSW on 13 77 88, complete the application online at <https://www.service.nsw.gov.au/regionalseniorstravel> or visit a Service NSW centre.