

Government Superannuation Fund

Frequently Asked Questions

Questions and answers about matters of general interest with respect to the Government Superannuation Fund (GSF), and on ceasing Government service, Former Higher Salary Elections, Leave Without Pay, Contributing in Respect of Prior Interrupted Service and Pension Payment Dates, are given on the following pages.

If you have any further questions please contact Datacom, the GSF Schemes Administrator as follows:

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The policies and conditions described in this document can change over time. You should check with the GSF Schemes Administrator that the information in this document is up to date, before acting upon it.

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A. GENERAL QUESTIONS

- 1. Do I have to declare my GSF pension (retiring allowance) for income tax purposes?**
All GSF pensions became free of tax on 1 April 1990. Therefore members no longer need declare their allowance to the Department of Inland Revenue.
- 2. How can I get a GSF Earnings Certificate?**
GSF Earnings Certificates can be provided on request as proof of income for a Community Services Card, Disability Allowance etc. Please contact Datacom if you require a GSF Earnings Certificate or Cost of Living Advice Notice.
- 3. What do I need to do if I want to change my bank account?**
If you wish to change your bank account you should advise Datacom in writing, providing your full bank account number and pay date you want the change to take effect from. Please note that your pension (retiring allowance) must be paid to a bank account in your name.
- 4. Can my pension be paid into an Overseas Bank Account?**
If a member intends to reside overseas permanently their pension (retiring allowance) can be paid to an overseas bank account.

Datacom should be notified of any change of address as a certificate requiring confirmation of the member's whereabouts is sent annually. Failure to return the certificate could result in suspension of the pension (retiring allowance).

Note: A fee of \$5.00 each four weekly payment is charged when the pension (retiring allowance) is paid into an Australian bank account and \$15.00 when paid to any other country.

- 5. Can I assign any of my pension (retiring allowance) to another person?**
The GSF Act allows contributing members, when they become entitled to a retiring allowance (pension) (or three months prior), to surrender part of their retiring allowance and assign an actuarially equivalent amount to a partner or another person. For further information on this option please refer to Booklet GS2.

Quotes are available from Datacom for this option. To provide you with a quote, Datacom will need the following information:

- Member details - name, address, and GSF reference number
- Assignee's details - full name and date of birth

- 6. Would my GSF entitlements be considered Relationship Property?**
Entitlements may also be allocated to separated or divorced partners under agreements made under the Property (Relationships) Act 1976. Where part of a retiring allowance (pension) is allocated to a third party, the allowance allocated to the third ceases upon the death of the former contributor, unless they have been made by a permanent surrender (assignment) of part of a retiring allowance.

7. What will my spouse receive when I die?

If a contributor or an annuitant dies a surviving spouse is entitled to a benefit, which is usually a pension.

A spouse may include any man or woman whom the Authority considers to be the wife or husband of the member at the date of death. The Government Superannuation Fund Authority recognises de facto and same sex relationships.

Examples of the information required to support an application for a spouse allowance are as follows:

- Spouse's birth certificate
- Marriage certificate or evidence of a de facto relationship
- Member's death certificate
- Spouse's bank account details

8. Is there any allowance payable to my child if I die? Where a contributor to GSF dies, whether before or after becoming entitled to a retiring allowance (pension), and leaves a child or children under the age of 16 years, an allowance is paid to the child until that child attains the age of 16 years. At the discretion of the Government Superannuation Fund Authority, this allowance may be extended to assist with the child's education until the end of the year in which the child turns 18.

In cases where the Authority considers that the child has a physical or mental disability, the child allowance may be paid for such period as the Authority thinks fit.

Examples of the information required to support an application for a child allowance are as follows:

- Child's birth certificate
- Member's death certificate
- School attendance verification (if over age 16)
- Child/ Guardian bank account details

9. What happens if I move to part-time hours?

If you move to part-time hours, you will pay contributions, and your employer will pay the employer subsidy, on your part-time salary.

For the purposes of calculating your retiring allowance (pension), your part-time salary is increased to its full-time equivalent and your contributory service is reduced to its full-time equivalent.

Example

Contributor moves to 80% hours and a part-time salary of \$40,000 pa.

Salary for calculating retiring allowance = $40,000 / 80\%$ = \$50,000 pa

Contributory service for each year of part time service = $1 \times 80\%$
= 0.8 years

B. CEASING GOVERNMENT SERVICE

- 10. I will be retiring/resigning/made redundant from my position. What do I need to do?**

If you are not continuing employment in Government service, you will need to complete the form GS20/1 (refer Booklet GS20) which advises Datacom of your election on ceasing Government service.

If you are eligible to take your retiring allowance immediately on ceasing Government service you may wish to contact Datacom before you cease service to obtain fuller details of the options available to you (see question 13). These options will be provided, in any event, following your cessation of service

- 11. I will be retiring/resigning/made redundant from my position. Does my employer need to do anything?**

Your employer should confirm the details of your cessation of service to Datacom, advising your last day of paid service for GSF purposes.

- 12. I will be commencing with another Government employer. What should I do?**

You should complete form GS19/1 (refer Booklet GS19) and send it to Datacom who will contact your new employer for your commencement details.

It would be wise to check with Datacom when considering alternative employment to ensure that your prospective new employer is a contributing employer.

- 13. I have leave owing on cessation of Government service. Should this be included in my service?**

Any leave taken prior to the last day of employment will be included in the contributory service used to determine your retiring allowance (pension). The earliest your entitlement can come into payment is the day after your last date of employment in Government service. (Note that because of annual leave, your last day of employment may not be the same as your last day at work.)

- 14. How do I find out my entitlements upon ceasing service?**

If you contact Datacom with your details, they will provide you with estimates of your options. Further information on your entitlements on ceasing Government service is available in Booklet GS20.

- 15. How much notice do we require?**

For all options, we will action requests within 5 working days of receiving all the information required to action your request. Please note that if your employer payroll has not been informed of your cessation of service it may take some time to get the required confirmation of cessation from them.

- 16. When is the earliest you can pay me?**

The earliest that your entitlement can come into payment is the day after your last day of employment in Government service. (This may include periods of leave.) . See also question 17.

- 17. I still owe GSF money on ceasing service, what can I do?**

You may either pay any monies owed by a lump sum payment, or the amount owing can be deducted from the first installment of your entitlement.

18. How long do I have to make a decision?

If you are entitled to receive payment of a retiring allowance (pension), you normally have 10 working days, from the date you are notified of the options available, to notify Datacom of the options you wish to take. If you do not make a decision within this timescale, your retiring allowance (pension) will normally be recalculated and come into payment at the date you do make an election. No backdating is permitted.

19. I have a charge over my contributions, what happens now?

Datacom will contact the chargeholder and advise them you are ceasing Government service. The chargeholder may either claim an amount from your contributions, or release the charge. Payment of your entitlement will not be made until either the charge is released or the contributor has agreed to the amount claimed.

C. FORMER HIGH SALARY ELECTIONS

20. Who can elect to pay on a former higher salary?

Anyone whose salary rate, for the purposes of GSF, has reduced due to any reason other than misconduct can elect to make a former higher salary election. See booklet GS21.

21. When can the election be made?

An election must be made within three months of the reduction in salary or within a longer period at the discretion of the Government Superannuation Fund Authority.

22. What do I have to pay?

The contribution payable will be based on either:

- The salary rate for the previous position, in cases where there is a clearly identifiable salary rate for the position; or
- The former higher salary, indexed annually to the Consumers Price Index on the anniversary of the former higher salary election.

Should the former higher salary, including any increases as above, become less than the current actual salary then the election becomes ineffective and contributions are payable on the contributor's actual salary.

If the contributor's employer is not prepared to contribute the employer subsidy at the higher salary rate the contributor will be required to pay the difference between the employer subsidy on the previous higher salary (including increases as above) and the employer subsidy on the contributor's actual salary.

23. If I pay employer subsidy, is that refunded to me in any circumstances?

No, the employer subsidy remains in GSF and is not refunded to a contributor in any circumstances.

24. I am moving to part-time hours, how does this affect me?

The option to make a former higher salary election does not apply if a contributor's salary is reduced solely as a result of a reduction in hours worked.

However, if the rate of salary is reduced when moving to part time hours, the contributor may elect to contribute on the part-time equivalent of the former higher salary rate.

For the purposes of calculating a contributor's retiring allowance (pension), the contributor's part-time salary (on which contributions have been made) is, in any event, increased to its full-time equivalent. (See question 9)

D. LEAVE WITHOUT PAY

25. What do I have to pay?

Unless you elect to cease contributions to GSF, you must pay contributions on a full cost basis during any period of leave without pay. This includes both your contribution and the equivalent of the employer subsidy. Please contact Datacom to ascertain the cost.

26. Can I elect to cease contributions while on leave without pay?

Yes, if you are less than 50 years of age you may elect to cease contributions altogether. In this case you must give notice to cease contributions prior to commencing the period of leave. Contributions must be paid up to the effective date of the election.

On subsequently reaching age 50, if you have not recommenced contributions, your contributions paid to date will be paid and you will not be eligible to rejoin GSF.

27. Can I pay contributions while on leave?

Yes, you can pay contributions while on leave. Please contact Datacom to arrange payment prior to going on leave.

28. How can I pay for the period of leave without pay?

You can pay for the period of leave without pay by way of a lump sum payment within one month of your return to duties or by installments. If you wish to pay by way of installment please contact Datacom for further information.

29. Is interest charged?

Unless full payment is made within one month of your return to duties interest is charged. Datacom will be able to provide you with details of any interest payments.

30. If I cease service and elect to receive a refund, what do I get refunded if I paid for a period of leave without pay?

If you are entitled to a refund, you will receive only the contributor's portion of any payment made in respect of leave without pay. All employer subsidy and interest charges are retained by GSF and do not in any circumstances form part of any refund.

31. Does the employer have to pay anything?

No, the contributor is liable to pay the full cost of leave without pay.

E. CONTRIBUTING IN RESPECT OF PRIOR OR INTERRUPTED SERVICE

32. Who can contribute?

Anyone with previous Government service that is not already included in his or her contributory service and who is a current contributor to GSF may elect to contribute in respect of prior or interrupted service. However conditions apply if you are over 50 years of age.

33. I am over 50 years old can I contribute?

If you are aged over 50 years you may only contribute in respect of prior or interrupted service with the prior approval of the Government Superannuation Fund Authority. You should contact Datacom if you wish to apply for approval.

34. What does it cost?

Contributions are made on the higher of the salary received by the contributor during the non-contributory period, and the salary the contributor is receiving at the time the election is made.

The contribution rate for General Scheme contributors under the age of 50 is 6.5% of salary, for the period being purchased, unless they are electing to contribute in respect of a period of pre-entry training or service or for any period of leave without pay. In these cases the contributor has to pay the full actuarial cost (ie employee contribution and employer subsidy) of purchasing the service.

Contributors aged over 50 years have to make contributions reflecting the full actuarial cost (ie employee contribution and employer subsidy) of the service in respect of which they wish to contribute.

The cost of purchasing service will be provided by Datacom on request.

35. How much prior service can I purchase?

You can elect to purchase any previous Government service which is not already included as contributory service, plus any pre-entry training or service. The agreement of the Authority may be required in some circumstances, for example, where the service to be purchased was not full-time.

36. What is pre-entry training/service?

Pre-entry training is defined as study or training leading to a recognized degree, diploma or certificate, including apprenticeships, which the Authority considers a requirement of, and relevant to the position held by the contributor at the time of the initial appointment. The period which may be purchased must not exceed the period normally required to obtain the qualification concerned.

Pre-entry service includes employment as a practitioner, tradesman or employee in a type of work providing a specialized skill or knowledge which in the opinion of the Authority has been a requirement of, and relevant to the position held by the contributor at the time of the initial appointment.

- 37. What do I need to do to contribute in respect of prior service?**
Complete Form GSF22/1 (see Booklet GS22) and ensure your payroll officer completes section B of that form.

Those contributing in respect of pre-entry training or service also need to send in copies of their certificates and documents from their employer evidencing the period of Government service they wish to purchase. Once all of the relevant information is received an offer to contribute for the periods of service will be sent to you.

- 38. How long is an estimate valid for?**
Datacom can provide you with an estimate of the cost of purchasing prior or interrupted service. The estimate is valid for 30 days from the date it is sent to the contributor.
- 39. How can I pay the contributions for the purchase of prior service?**
You can pay for the purchase of prior service by way of either a one off lump sum payment, regular lump sum payments, or by fortnightly deductions from salary over periods of up to 10 years. Interest will be charged where payment is not made by way of a one off lump sum payment.
- 40. What happens if I cease service and have not fully paid the contributions?**
If you cease service before you have paid for the purchase of a period of prior service in full, you have the option of completing the payments, or take a smaller benefit based on the service actually paid for at your cessation date.
- 41. Are the contributions for purchase of prior service refundable in any circumstances?**
If you are entitled to receive a refund, you will receive only the employee contribution portion of any contributions paid in respect of the purchase of prior service. All employer subsidy and interest charges are retained by GSF and do not in any circumstances form part of any refund.

NOTE: Payments made to GSF in excess of the standard employee contribution rates (e.g. when the employee pays the equivalent of the employer subsidy), are not refundable in any circumstances and are not included in the calculation of the value for transfer into an alternative scheme.

F. PENSION PAYMENT DATES

42. When is my pension paid?

Pensions (retiring allowances) are paid 4 weekly on a Thursday. See the table below for the comprehensive list of the dates over the next four years.

2009	2010	2011	2012
8 Jan	7 Jan	6 Jan	5 Jan
5 Feb	4 Feb	3 Feb	2 Feb
5 Mar	4 Mar	3 Mar	1 Mar
2 Apr	1 Apr	31 Mar	29 Mar
30 Apr	29 Apr	28 Apr	26 Apr
28 May	27 May	26 May	24 May
25 Jun	24 Jun	23 Jun	21 Jun
28 Jul	22 Jul	21 Jul	19 Jul
20 Aug	19 Aug	18 Aug	16 Aug
17 Sep	16 Sep	15 Sep	13 Sep
15 Oct	14 Oct	13 Oct	11 Oct
12 Nov	11 Nov	10 Nov	8 Nov
10 Dec	9 Dec	8 Dec	6 Dec