

Employer Update

March 2011
Newsletter

This Update is important to Employers – it confirms Datacom's requirements for the collection and forwarding of Government Superannuation Fund (**GSF**) contributions and associated data. Further information can be found on the following web sites: www.datacomgsf.co.nz and www.gsfa.govt.nz

What Has Changed

Annual Review of Employer Subsidy Rates

The subsidy rates effective from 1 July 2011 have been determined by Government Actuary. Your organisation will have received a letter in February advising you of the subsidy rate to apply from 1 July 2011. If you require any further information on subsidy rates please contact us

General Information

Definition: Last Day Of Duty (LDOD) and Last Day Of Paid Service (LDOPS)

- Last Day Of Duty (LDOD)
An employee's LDOD is the day that an employee stops working on site for an employer. For example, it is when an employee packs their desk, has their farewell morning tea and leaves the building for the last time.
- Last Day Of Paid Service (LDOPS)
The LDOPS is the day the employment relationship (contract) between the employee and the employer ceases. This may include a period of leave if that leave is taken after the employee ceases working on site for the employer. In this case contributions would be deducted and paid to GSF, along with the appropriate employer subsidy, for the period of leave.

NOTE: A GSF member is considered to have ceased employment on their LDOPS.

Leave Without Pay

There are many GSF members who do not realise that they need to contact Datacom prior to taking periods of leave without pay (LWOP).

GSF members must pay GSF contributions and subsidy for LWOP periods unless they are under the age of 50. Contributors under the age of 50 may elect to pay contributions and the employer subsidy for the period of LWOP or elect to suspend contributions for the period of LWOP. Elections to suspend must be made prior to the member going on LWOP.

When planning, and before taking, LWOP GSF members must contact Datacom. We will then calculate the amount owed for the period of LWOP. Payment of both GSF contributions and subsidy for LWOP must be arranged within one month of returning from leave. If payment has not been arranged, interest on any LWOP arrears will be charged from the day the member returns from leave. Interest is calculated at the Fund earning rate (or the 90 day bill rate where the Fund earning rate is not available).

To minimise LWOP arrears and any interest charges, we ask that you remind any employees contributing to GSF of their obligation to advise Datacom of any LWOP. Any previously unrecorded periods of LWOP should be advised as soon as possible and contact should be made with us prior to any future periods of LWOP.

Strike Days

Unpaid strike time is treated as leave without pay (LWOP) for GSF purposes. For any periods of strike time taken, GSF members are required to contact GSF to arrange payment of both member contributions and employer subsidy.

We ask that you pass this information onto any GSF members employed by your organisation who take part in strike action.

Staff Working Variable Part Time Hours

GSF members whose hours of work are not fixed, or frequently change, are required to complete an annual Part Time Certificate. In order to complete the certificate, members and their employers will need to agree the hours for the year ahead and provide copies of employment contracts and any other correspondence confirming hours of work. Please refer any GSF members who you think may fit the variable part time criteria to booklet GS6 (on www.gsfa.govt.nz) or to Datacom for a copy of the Part Time Certificate.

Note: GSF members working casual hours are not entitled to contribute to GSF.

Reduction in Superable Salary

GSF members who have received a reduction in their full time equivalent superable salary rate have the option to continue contributing to GSF as if their salary rate had not reduced. To maintain the higher salary, the GSF member will need to make a Former Higher Salary election within 3 months of the reduction. Additional payments to GSF must not be made until the FHS election has been approved by GSF Administration. Further information is available in the Employer Manual and GSF booklet 'Election to Contribute at Previous Salary Rate Following Reduction in Superable Salary (GS21)' (available on the GSFA website www.gsfa.govt.nz or contact us (details on page 3).

Former Higher Salary (FHS) Elections

For those GSF members who have made a FHS election where the FHS amount is linked to the rate of salary for a previous position, please be mindful that the FHS rate is only reviewed annually on the anniversary of the FHS election.

If the salary rate for the previous position changes more frequently than once per year, the most recent change will be used at the annual review. Changes to employer subsidy rates and the current actual salary (which may change throughout the year) will be processed as they change.

Please make sure that the correct FHS salary rate (not the actual salary rate) is being included in your payroll file to GSF.

New GSF Contributing Employees

New employees who were contributors to GSF in their previous roles are not automatically eligible to continue contributing to GSF unless they are under age 50 and their employment is both permanent and full time. Employees who do not meet these criteria must apply for approval from the Authority to continue contributing to GSF. If you are not sure whether a new employee is eligible to continue contributing to GSF, please contact our administration team prior to commencing deductions.

GSF Payroll File

In addition to the GSF member contributions paid, the GSF payroll file contains the following information for each GSF member:

- Full time equivalent superable salary (p.a.)
- Effective date of the superable salary
- Part time rate (if applicable) i.e. percentage of the full time equivalent rate

Each pay period any salary changes in the payroll files are updated in our system.

We rely on the information in the payroll file to calculate a GSF member's retiring allowance and any under or overpaid contributions (and corresponding employer subsidy).

GSF is a defined benefit scheme where members pay a percentage of their superable salary to procure a retiring allowance at retirement. When reconciling member contributions, we check whether we have received the correct contributions during the member's service. It is important that the salary data in the payroll files is precise as this is the information used when calculating whether the correct contributions for the entire duration of the GSF member's contributory service have been received.

Employee Queries Relating to GSF

As part of our service commitment to GSF members and their employers, we ask that any queries you have or receive in relation to GSF are referred onto our administration team. We can be contacted by phone on 0800 654 731 or by email gsf@datacom.co.nz. If known, you should quote the member's GSF reference number when contacting us.

GSF Information Booklets

Booklets can be obtained from the Government Superannuation Fund Authority (GSFA) website, www.gsfa.govt.nz under the section 'Schemes Publications and Booklets'. These booklets contain information on GSF and the associated forms for each action or request.

Employer Newsletters

Copies of our previous newsletters can be found on Datacom's website: www.datacomgsf.co.nz.

Contact Details

Datacom GSF Schemes Administration

Phone:	(04) 470 6348	Freephone:	0800 654 731
Fax:	(04) 470 6366	Address:	PO Box 3614, Wellington 6140
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Send payroll files, remittance advices and schedules to: gsfmedia@datacom.co.nz

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