

Employer Update

IMPORTANT INFORMATION

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 the Government Actuary.

Effect on Employers

The new employer subsidy rates were payable to GSF from 1 July 2011. This requires specific actions from you to ensure that all contribution and subsidy payments made after 1 July 2011 are correct.

Effect on Employees

The change in the employer subsidy rates affect:

- Any GSF member on a total remuneration salary package. In most cases, the change in the employer subsidy rates affects the superable salary upon which contributions are calculated and paid to GSF.
- Employees who meet the cost of any portion of the employer subsidy on a Former Higher Salary . An adjustment for the additional employer subsidy amount is required.
- Members taking leave without pay after 1 July 2011, or those already on leave without pay, will pay the employer subsidy component for the leave period after 1 July 2011 based on the new employer subsidy rate.

There is no change to the GSF member contribution rate or to how a member's retiring allowance is calculated. If you have any queries regarding the change in your employer subsidy rate please contact our Schemes Administration team (see Contact Details section below).

General Information

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

Employers should also send us a separate schedule, setting out what subsidy amounts have been calculated for each GSF member each pay period. This information speeds up the reconciliation process and helps to reduce the volume of enquiries sent back to your payroll office.

Datacom relies upon the information provided in the payroll file to calculate GSF members' retiring allowances and any under or overpaid contributions received (and corresponding employer subsidy). Correctly formatted payroll files must be sent to Datacom as soon as possible after the payroll run has been processed.

GSF is a Defined Benefit Scheme where members pay a percentage of their superable salary to procure a retiring allowance when they cease Government service. It is important that the superable salary data in the payroll file is precise as this is the information used when calculating whether the correct contributions for the entire period of the GSF member's contributory service have been received and when calculating members' entitlements.

Please be aware that your GSF payment may be returned to you under the following circumstances:

- Payment received without supporting payroll information (payroll file)
- The payroll file continues to contain incorrect information, even after consultation with you.

Leave Without Pay

There are many GSF members who still 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 all periods of LWOP unless they are under the age of 50. Contributors under the age of 50 may elect to either pay contributions and subsidy for the period of LWOP or 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 no later than one month after returning from leave. If payment has not been arranged, interest on any LWOP in arrears will be charged from the day the member returns from leave. Interest is payable 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 all employees on your payroll who are contributing to GSF;

- it is their responsibility to advise Datacom of all periods of LWOP
- any previously unrecorded periods of LWOP should be advised to Datacom as soon as possible
- contact should be made with Datacom prior to any future period of LWOP.

Last day of paid service (LDOPS) and last day of duty (LDOD)

In recent months, we have had a number of questions in relation to the definition of LDOPS. We would like to take this opportunity to provide you with answers to the two most common questions.

What is the difference between LDOD and LDOPS?

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.

The LDOPS is the day the employment relationship (contract) between the employee and the employer ceases. This may include a period of leave, if it is agreed by the employer and the employee that the leave is to be counted as service and the employment relationship (contract) continues until the end of the leave period.

Is the LDOD or the LDOPS used when calculating GSF entitlements?

The LDOPS is used as the date the GSF member ceases Government service. Contributions and subsidy must be paid up to this date.

New GSF Contributing Employees

New employees who have been contributors to GSF in their previous roles, or existing employees who have a change in their employment contract, are not automatically eligible to continue contributing to GSF unless they are under the age of 50 and their employment with you is both permanent and full time.

Employees who do not meet these criteria must apply for approval from the GSF 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 GSF deductions.

Access to Information

Queries Relating to GSF

As part of our service commitment to GSF members and their employers, if you have any queries in relation to GSF, please contact our administration team. We can be reached by phone on 0800 654 731 or by email gsf@datacom.co.nz. If you have a query relating to a particular member, 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

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