

Government Superannuation Fund

Schemes Administration Newsletter

September 2013

Employer Update

This update is important to employers – it confirms Datacom's requirements for the collection and forwarding of contributions and associated data to the Government Superannuation Fund (GSF). Further information is available on the following websites: www.datacomgsf.co.nz and www.gsfa.govt.nz

Contributions - calculation method

GSF contributions must be calculated using a member's superable salary and GSF member contribution rate. There are several accepted calculation methods to determine superable salary and they depend on the payroll frequency and base hours per period.

All GSF members on the same payroll must have contributions calculated using the same method. Please contact Datacom if you have any concerns about the calculation method your payroll uses.

Ceasing employment

A GSF member may cease employment in Government service for a variety of reasons (e.g. resignation, redundancy, retirement, dismissal or medical).

The options available to members will depend, amongst other things, on the member's age and length of contributory service. An election in respect of these options is required from the member on form GS20/1. If your employee is unsure of their GSF entitlements or the process around ceasing service, please ask them to make contact with the Datacom GSF Schemes Administration team.

Employer Newsletters

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

Contributions - deductions and advice

Member (employee) contributions are to be remitted to GSF on a regular basis, depending on the employer payment cycle, e.g. weekly, fortnightly or monthly. Contributions are made through employer payroll deductions, which are advised to GSF via the GSF payroll deduction file (payroll file). Datacom requires that contributions advised through payroll files are received from employers on a timely basis. This ensures that the member records in the GSF system are updated as and when contributions are deducted from members' salaries and paid to GSF. Up-to-date member records ensure accurate and timely calculation of GSF entitlements when a member exits the scheme or contacts Datacom with a query about their GSF entitlements

What is the Employer's obligation when a member ceases employment?

On cessation of Government service, a contributor may send a GSF election form (GSF20/1) directly to Datacom. The employer will then be asked to confirm the member's ceasing details on the GS1000 form, e.g. last five years' salaries and last day of paid service.

If the election made on cessation is received directly by the employer, the election must be date stamped and forwarded to Datacom as soon as the GS1000 form can be completed in full.

It is important that the member's ceasing details are provided to Datacom as soon as possible so that final entitlements can be calculated and payments can be made when due.

In addition to the GS1000 form, we may require further information such as confirmation of contributions paid and other historical salary information.

GSF Information Booklets

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

Determining the last day of paid service

Under the provisions of the GSF Act, contributors are entitled to receive a retiring allowance or other entitlement from the day after their last day of employment in Government service. This is known as the last day of paid service (LDOPS) for GSF purposes.

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) ends at the end of the leave period.

GSF deductions must then be taken from any agreed leave and you, as the employer, must pay the corresponding employer subsidy on those contributions. The LDOPS is then the date when all this leave has expired and, as such, will differ from the last day of duty.

Please note that the following are not superable when calculating the LDOPS:

- o Retiring gratuities
- o Redundancy gratuities
- o Lump sums in lieu of notice

It is important to get the LDOPS correct, as advice of an incorrect LDOPS may result in a member's allowance being reassessed and arrears of their allowance being owed to GSF. If you have any doubts about the calculation of the LDOPS, please contact Datacom and we will be happy to discuss this with you.

Former higher salary members - change to payroll requirements

In preparation for moving to the GSF Employer Portal, Datacom has made a change to the current payroll file format. The change is in relation to superable salary for those GSF members who have made a former higher salary (FHS) election. There are no other changes to the payroll file at this stage.

Up until now, we required a member's superable salary in the payroll file to be reported as the previous higher salary figure. Upon transition to the GSF Employer Portal, you will only be required to advise the member's actual superable salary, not the FHS.

A GSF Employer Update sheet will be sent separately to those employers who have FHS members. The Employer Update sheet will explain the FHS changes in more detail.

Contact details

As part of our service commitment to GSF employers, we ask that any queries you have in relation to GSF are referred to our finance team. If possible, please quote your GSF employer number when contacting us.

Datacom GSF Schemes Administration

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