

Government Superannuation Fund

Schemes Administration Newsletter

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

www.gsfa.govt.nz



Employer Update

April 2019

❖ Review of Subsidy Rates for FY 2019-2020

Employer subsidy rates are reviewed by the Fund's Actuary on an annual basis. Your organisation should have received a letter from Datacom in February 2019 confirming the 2019/2020 subsidy rate to apply to GSF subsidy calculations from the first full pay period after 1 July 2019. Please contact us if you did not receive a copy of the subsidy rate letter, if you wish to confirm your subsidy rate or if you require any further information about GSF subsidy rates.

❖ Annual Leave Paid at a Higher Rate

GSF member contributions and employer subsidy are required to be calculated on the employee's superable salary for GSF purposes.

If, during periods of annual leave, your payroll system is calculating GSF deductions on the holiday average earnings rate, then GSF contributions will be deducted incorrectly and remitted to GSF.

This is because the holiday average earnings rate includes almost all taxable payments made to the employee. Therefore, where the holiday average earnings rate is used to calculate GSF member contributions and employer subsidy, this will result in an overpayment to GSF.

The GSF schemes are defined benefit schemes. This means overpaid contributions and subsidy do not benefit the member or the employer. Superable salary is used by GSF to calculate the member's entitlements at retirement. Members are required to pay contributions at the set contribution rate on the correct GSF superable salary. Additional amounts, such as annual leave paid at a higher rate, do not enhance the member's GSF entitlements.

Datacom, GSF Schemes Administration

Contact Details

If you have any questions about the GSF schemes, please contact us and we will be happy to assist. If possible, please quote your GSF employer number when contacting us.

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Disclaimer

This newsletter is a summary of some of the provisions of the GSF Act, regulations made pursuant to the GSF Act and policy decisions including those set out in the statement of policies. While every effort is made to ensure the information contained in this newsletter is accurate, it is intended as a guide only and is in no way binding on any person and does not prevail over any applicable law or policy decision. To the fullest extent permitted by law, neither the Authority, Datacom, nor any person accepts any liability for any loss, damage, cost or expense that may arise from any reliance on any information contained in this newsletter. This newsletter does not create any legal or equitable rights exercisable by any person.