



Election to Contribute at Previous Salary Rate Following Reduction in Superable Salary

GOVERNMENT SUPERANNUATION FUND

NEW GENERAL Scheme

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Important information

The Government Superannuation Fund (GSF) schemes are managed and administered by the GSF Authority (the Authority) in terms of the GSF Act 1956 (the GSF Act). The Authority has appointed Datacom Connect Limited (Datacom), a subsidiary of Datacom Group Limited, as the Schemes Administrator.

The Schemes Administrator does not have the authority to interpret the GSF Act or to make any determination on questions arising under the GSF Act. All interpretative issues and determinations are referred to the Authority for a decision.

If there is any doubt about a matter, eg. how an allowance is calculated, the Schemes Administrator will approach the Authority for a determination and then advise the contributor of the Authority's decision. If the contributor disagrees with, or is dissatisfied with, the Authority's decision he/she has the right to appeal to the GSF Appeals Board (the Appeals Board) against that decision.

The GSF Act requires the Authority to exercise its discretion consistently with the published statement of policies unless it considers it inappropriate to do so in the particular circumstances. The statement of policies may be amended by the Authority from time to time, subject to compliance with the procedural requirements set out in the Act.

Appeals must be made in writing within 28 days of the Authority's decision being advised to the contributor. The appeal will then be presented to the Appeals Board at its next meeting. The Appeals Board considers all written and oral evidence submitted by the contributor or his/her representative, as well as the Authority's report, and takes into account the interests of the Crown and any other interested party before making its decision. The Appeals Board's decision is final and the contributor is advised of the outcome.

Disclaimer

This booklet is a summary of key 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 has been made to ensure that the information contained in this booklet is accurate, it is intended as a guide only. In particular, please note that:

- This booklet does not take into account any individual's particular circumstances, financial or otherwise.
- The policies and conditions described in this booklet can change over time so before taking any action you should check whether the information contained in this booklet is still up to date.

This booklet 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 nor any other person accepts any liability for any loss, damage, cost or expense that may arise from any reliance on any information contained in this booklet.

This booklet is not intended to, and does not create, any legal or equitable rights exercisable by any person. If you have any queries in relation to the schemes, or require any further information in relation to the schemes, please contact:

Schemes Administrator
Government Superannuation Fund
Datacom Connect Limited
P O Box 3614
Wellington 6140

Free Phone: 0800 654 731
Telephone: (04) 470 6348
Fax: (04) 470 6366

Election to Contribute at Previous Salary Rate Following Reduction in Superable Salary

1. Introduction

This booklet provides information on the options available following a reduction in superable salary for contributors to Part 2A of Government Superannuation Fund (GSF) (the New General Scheme) under the GSF Act and the various associated policies. The position may be different under other schemes within the GSF (e.g. the Armed Forces, Police or Prison Schemes).

2. Election to contribute at previous salary rate following a reduction in superable salary

Subject to employer consent, a contributor to GSF who has a reduction in superable salary for any reason except misconduct, may make an election to contribute at the previous higher superable salary rate.

An election may be made as soon as the contributor has been advised that the superable salary is to be reduced, but must be made within 3 months of the reduction. Elections made after the 3 month period are considered by the Authority (see section 4).

The employer is not obliged to pay subsidy in respect of the former higher salary election and may indicate that the election is not supported. If this is the case the contributor will be required to pay both the employee contributions on the higher salary and also an additional amount being the subsidy on the difference between the actual salary and the higher salary. Subsidy paid by a contributor is calculated using the employer subsidy rate net of employer superannuation contribution tax (ESCT).

3. Why make an election

One of the three key factors used in the calculation of a retiring allowance is the contributor's average earnings over the final 5 years of employment in Government service. A reduction in superable salary during this period will lower the level of retirement and other benefits payable, unless an election is made to continue contributions at the previous (higher) salary rate. Even though a contributor may not be near retirement age at the date of the reduction, an election to contribute at the previous superable salary rate may result in greater benefits in the event of death, or in the event that the contributor becomes medically unfit and unable to continue employment.

4. Late elections

To make a late election, a contributor needs to state in writing the reasons for the delay, and forward these to the employer with the election.

Late elections are considered by the Authority on a case by case basis having regard of the individual's circumstances, and the potential cost to GSF.

5. Reduction in superable salary following break in service

A contributor ceasing a job with one employer to begin a lower paid job with another employer can also make an election to contribute at the former higher salary.

In such cases the contributor must recommence paid employment within 12 months and make this election within 3 months of accepting reemployment.

This election is considered by the Authority and the employer advised of the decision. The contributor must be eligible to contribute to the same scheme in the new position.

6. Reduction in superable salary on moving to part-time employment

The option to make a former higher salary election does not apply if a contributor's superable salary is reduced as a result of a reduction in hours worked, unless the rate of salary is also reduced. In this case the contributor may elect to contribute on the part-time equivalent of the former higher salary.

For the purposes of calculating a retiring allowance a contributor's part-time salary is, in any event, increased to its full-time equivalent with the contributor's contributory service being reduced to reflect the part-time hours worked.

7. Payment of contributions

The ongoing contribution rate will normally be based on the former higher salary indexed annually, on the anniversary of the former higher salary election, to the Consumer Price Index.

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

If the employer is not willing to pay the difference between the employer subsidy on the actual salary and the employer subsidy on the former higher salary, the contributor's election will only be accepted if the contributor pays the additional employer subsidy amount (net of ESCT) to GSF.

The employer will continue to pay the employer subsidy on the actual salary.

Where a contributor pays an additional amount, representing the employer subsidy, this amount will not be included in any refund of contributions.

In some cases a former higher salary may increase in line with a member's previous salary where there is a clearly identifiable salary rate and position. Any such requests are considered by the Authority on a case by case basis.

8. Calculation of cost

The additional employer subsidy amount payable by the contributor may vary on an annual basis. Therefore the rates have not been included in this booklet. To receive an indication of the total cost to contribute on a former higher salary, where the employer will not contribute at the higher salary, please contact the Schemes Administrator.

9. How to make an election

There are two election forms attached to this booklet. If you are employed as a teacher in the state or state integrated compulsory schooling sector, please complete **Form GS21/2 – Election to Contribute at Previous Higher Salary Rate** (State or State Integrated Compulsory Schooling Sectors only). Otherwise, please complete **Form GS21/1 – Election to Contribute at Previous Higher Salary Rate**. To confirm, if you are employed in the preschool or tertiary education sector, use Form GS21/1.

- Complete Part A of the form, and
- forward it to your employer within three months of the date of the salary reduction.

If you are employed as a teacher in the state or state integrated compulsory schooling sector, please forward your form to your Board of Trustees for completion of Section B, Part 1 and to the Ministry of Education, Head Office, Wellington to complete Part 2. Please note that whilst the Board of Trustees is the employer, the Ministry pays teachers' salaries and therefore needs a record of all elections.

If you have any queries about the details in this booklet or any other queries, please contact the Schemes Administrator.

GSF booklets for the New General Scheme include

- GS 2 Retiring Allowance Options
- GS 5 Granting a Charge over your Contributions to GSF
- GS 6 Information
- GS 7 Information on Leave Without Pay
- GS 19 Options Available While Remaining in Government Service
- GS 20 Options Available on Cessation of Government Service
- GS 21 Election to Contribute at Previous Salary Rate Following Reduction in Superable Salary
- GS 22 Contributing in Respect of Prior or Interrupted Government Service
- GS 96 Option to Cease Contributing to GSF and Elect a Deferred Pension

If you would like copies of booklets relevant to your membership, please contact the Schemes Administrator at the address noted at the front of this brochure. Copies of the booklets are also available on the Authority's website – www.gsfa.govt.nz

SECTION A

(To be completed by the contributor and forwarded to your payroll office to complete Section B.

When BOTH sections have been completed please forward to the Schemes Administrator. If you are employed in the state or state integrated compulsory schooling sector, please complete Form GS21/2 as this form does not apply to you.

Former higher salary elections should be received by the Schemes Administrator within 3 months of the reduction in salary. If you submit a late election you need to provide reasons for the delay, in writing. Late elections are considered by the Authority on a case by case basis.)

My superable salary has been reduced and I **ELECT** to continue contributing at my previous salary rate. I understand that the contribution payable will be based on the former higher salary indexed annually, on the anniversary of the former higher salary election, to the Consumer Price Index.

Should the former higher salary become less than the current actual salary then the election becomes ineffective and contributions are payable on actual salary.

I understand this election is irrevocable once received by the Schemes Administrator.

I further understand that should my employer not pay the subsidy on the former higher salary and will only pay the subsidy on the actual salary I receive, then:

- I will pay both:
 - my own contribution, **and**
 - the difference in the employer's subsidy (i.e. the difference between what my employer is paying on my actual salary and the former higher salary at the subsidy rate net of employer superannuation contribution tax (ESCT)), **and**
- the cost I pay will be actuarially determined and certified by the Authority's Actuary.

I authorise the collection of personal information from and disclosure of personal information to my employer and/or such other persons as may be necessary to process this election.

Please ensure you read the Privacy Act Statement at the end of this form.

First Names _____ Surname _____

GSF Number _____ Date of Birth ____ / ____ / ____

Postal Address _____

Home Phone () _____ Work Phone () _____

Fax Number () _____

Email Address (see page 3) _____

Signature _____ Date ____ / ____ / ____

Section B

(Section A to be completed by the contributor, then Section B to be completed by the employer and forwarded to the Schemes Administrator)

Contributor's GSF Number _____

Former Higher Salary \$ _____ pa

Superable allowances included in Former Higher Salary (if any)

\$ _____ pa

(allowance name)

\$ _____ pa

(amount)

Reduced Salary \$ _____ pa

Superable allowances included in Reduced Salary (if any)

\$ _____ pa

(allowance name)

\$ _____ pa

(amount)

Effective Date of Reduction ____ / ____ / ____

Reason for Reduction _____

Employer consent

The employer consents to the contributor continuing to contribute at their higher salary rate, making the appropriate deductions from the contributor's salary and paying those deductions to GSF.

Employer Recommendation (please tick option 1 or 2):

1. ☐ The employer will meet the cost and pay the subsidy on the former higher salary indexed annually, on the anniversary of the former higher salary election, to the Consumer Price Index.
2. ☐ The employer will only pay the subsidy on the actual salary received by the contributor. The contributor will pay the subsidy (at the employer subsidy rate net of ESCT) on the former higher salary rate indexed annually, on the anniversary of the former higher salary election, to the Consumer Price Index.

I CERTIFY that all the details shown are correct and that the reduction in salary was not due to misconduct or solely as a result of the contributor reducing their hours worked. We will provide the Schemes Administrator with a schedule of the subsidy amounts paid by the contributor or employer on request.

Signature _____

Date ____ / ____ / ____

Name _____

Position _____

Employers' Name _____

Phone Number () _____

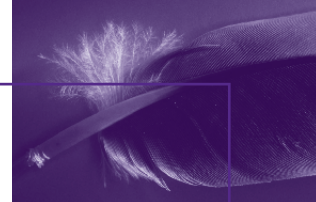
Fax Number () _____

Employers' Address _____

Employers' Email _____

Forward the completed form to Datacom, GSF Schemes Administration, PO Box 3614, Wellington 6140 or email to gsf@datacom.co.nz.

If you have any queries please call (04) 470 6348 or toll free on 0800 654 731



Privacy Act Statement

The personal information you supply by completing this form is being collected by Datacom Connect Limited (**Datacom**), as administrator of the schemes on behalf of the Government Superannuation Fund Authority (the **Authority**). The schemes are governed by the Government Superannuation Fund Act 1956 (the **Act**). The information collected in this form will be held by Datacom and will be stored electronically within New Zealand. It will be used to process any election under this form and/or update your member record. It may also be used to contact you in the future.

The information may be exchanged between the Authority and Datacom. It may be disclosed to third parties such as Annuitas Management Limited (provider of executive office/secretariat service to the Authority) or agents of the Authority or Datacom, in accordance with the Privacy Act 2020, for the purpose of the ongoing management and administration of GSF and the schemes and to enable the Authority to fulfil its statutory or legal obligations, such as for tax reporting or anti-money laundering requirements. If you do not provide the information requested, we may not be able to process any election and/or update your member record, as set out in this form. If we are required to disclose your information to any person or entity outside of New Zealand, we will either ensure that the recipient is required to protect your personal information in a way that provides comparable safeguards to those in the Privacy Act 2020, or we will contact you to obtain your authorisation to the disclosure.

By providing your **email address** you consent to Datacom and/or the Authority contacting you by email regarding your entitlements under the schemes governed by the Act and other information about services, as appropriate. If you no longer wish to receive correspondence by email you should complete a Change in Personal Details form or advise Datacom.

You are entitled to access and request correction of the personal information collected in this form in accordance with the Privacy Act 2020. For more detailed information about the Privacy Act you can refer to the website of the Office of the Privacy Commissioner at www.privacy.org.nz. The Authority's Privacy Policy can be viewed at www.gsfa.govt.nz.

Government Superannuation Fund Authority
PO Box 3390, Wellington 6140

Datacom Connect Limited
PO Box 3614, Wellington 6140

SECTION A

(This form is to be used by contributors employed in state or state integrated compulsory schooling sectors only. If you are employed in preschool or tertiary education sectors, please use Form GS21/1 as this form does not apply to you.)

Once completed by the contributor, forward this form to your Board of Trustees. The Board fills out Part 1 of Section B and forwards it to the Ministry of Education to complete Part 2. When ALL sections have been completed please forward to the Schemes Administrator.

Former higher salary elections should be received by the Schemes Administrator within 3 months of the reduction in salary. If you submit a late election you need to provide reasons for the delay, in writing. Late elections are considered by the Authority on a case by case basis.)

My superable salary has been reduced and I **ELECT** to continue contributing at my previous salary rate. I understand that the contribution payable will be based on the former higher salary indexed annually, on the anniversary of the former higher salary election, to the Consumer Price Index.

Should the former higher salary become less than the current actual salary then the election becomes ineffective and contributions are payable on actual salary.

I understand this election is irrevocable once received by the Schemes Administrator.

I further understand that:

- my employer will not pay the subsidy on the former higher salary, **and**
- my employer will only pay the subsidy on my lower salary – the actual salary I receive, **and**
- I will pay both:
 - my own contribution, **and**
 - the difference in the employer's subsidy (i.e. the difference between what my employer is paying on my actual salary and what the employer's subsidy would be to cover the cost of my estimated benefits. Subsidy will be calculated at the employer subsidy rate net of employer superannuation contribution tax (ESCT)), **and**
- the cost I pay will be actuarially determined and certified by the Authority's Actuary

I authorise the collection of personal information from and disclosure of personal information to my employer and/or such other persons as may be necessary to process this election.

Please ensure you read the Privacy Act Statement at the end of this form.

First Names _____ Surname _____

GSF Number _____ Date of Birth ____ / ____ / ____

Postal Address _____

Home Phone () _____ Work Phone () _____

Fax Number () _____

Email Address (see page 3) _____

Signature _____ Date ____ / ____ / ____

Section B

(Part 1 to be completed by the Board of Trustees Chairperson. Part 2 to be completed by the Ministry of Education, Head Office, Wellington)

Part 1

Contributor's GSF Number _____

Former Higher Salary \$ _____ pa

Superable allowances included in Former Higher Salary (if any)

(allowance name)

\$ _____ pa

\$ _____ pa

(amount)

Reduced Salary \$ _____ pa

Superable allowances included in Reduced Salary (if any)

(allowance name)

\$ _____ pa

\$ _____ pa

(amount)

Effective Date of Reduction ____ / ____ / ____

Reason for Reduction _____

I CERTIFY that all the details shown are correct, that the reduction in salary was not due to misconduct or solely as a result of the contributor reducing their hours worked, and that the Board of Trustees consents to the contributor continuing to contribute at their higher salary rate (although it will not pay the subsidy on the higher salary rate).

Signature of Chairperson _____

Date ____ / ____ / ____

Chairperson's Name _____

Name of School _____

School Phone Number () _____ School Fax Number () _____

School Email Address _____

School Postal Address _____

On completion of Part 1 this form should be forwarded to the Superannuation Officer, Education Services Payroll, Ministry of Education, PO Box 1666, Wellington 6140, for completion of Part 2.

Part 2

Date received from Board of Trustees ____ / ____ / ____

Details noted by:

Signature _____

Date ____ / ____ / ____

Print Name _____

Position _____

Forward the completed form to Datacom, GSF Schemes Administration, PO Box 3614, Wellington 6140 or email to gsf@datacom.co.nz.

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By providing your **email address** you consent to Datacom and/or the Authority contacting you by email regarding your entitlements under the schemes governed by the Act and other information about services, as appropriate. If you no longer wish to receive correspondence by email you should complete a Change in Personal Details form or advise Datacom.

You are entitled to access and request correction of the personal information collected in this form in accordance with the Privacy Act 2020. For more detailed information about the Privacy Act you can refer to the website of the Office of the Privacy Commissioner at www.privacy.org.nz. The Authority's Privacy Policy can be viewed at www.gsfa.govt.nz.

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