

## Member Update

October 2009  
Newsletter

**This Update is important to members of the Government Superannuation Fund (GSF)** – it confirms procedures and requirements which relate to future GSF entitlements. Further information can be found on the following web sites: [www.datacomgsf.co.nz](http://www.datacomgsf.co.nz) and [www.gsfa.govt.nz](http://www.gsfa.govt.nz)

### What type of scheme is GSF?

GSF is a defined benefit scheme. Your entitlement is determined by reference to your age, your length of Government service (contributory service) and your salary at retirement - not on the contributions paid by you or the subsidy paid by your employer on your behalf. Every day of contributory service must be paid for.

### Superable Salary

Salary, for GSF purposes, means "*salary or wages paid regularly in return for services*". It does not include non taxable payments, bonus payments, overtime payments, reimbursement of expenses, lump sums paid in lieu of notice or leave, retiring or redundancy gratuities, or contributions paid for, or in respect of the employer subsidy.

Unlike KiwiSaver, most allowances are not superable for GSF purposes. You or your employer should contact Datacom for confirmation prior to including any allowances in superable pay.

### Leave Without Pay (LWOP)

**What should I do before going on LWOP?** If you are going on LWOP, you must continue contributing to GSF (but see below if you are under age 50). It is important that you notify Datacom of the period of LWOP as soon as approval has been granted by your employer.

**What do I have to pay?** Contributions owed during the LWOP period are on a full cost basis, i.e. both employee contribution and employer subsidy is due to GSF. Your employer is not required to make subsidy contributions during the leave period. You may therefore need to pay the employer subsidy in addition to your employee contributions.

If you are under age 50, you may elect to suspend contributions during the period of LWOP. An election to suspend contributions for the LWOP period must be made prior to the LWOP being taken. Note, if contributions do not recommence before age 50, on reaching age 50 you will only be entitled to receive a refund of your own contributions and will not be eligible to recommence contributions to GSF. Please contact Datacom prior to taking leave to discuss your options and requirements.

**When do I have to pay for LWOP?** Payments can be made;

- Before leave commences, or
- During your period of LWOP, or
- On return to work, as a one-off payment or by regular repayment instalments.

Payment must be made or repayments commenced within 1 month of the end of your LWOP period otherwise interest on any unpaid amount will be calculated at the Fund earning rate (or 90 day bill rate if not available) from the end of the LWOP period (your first day back at work).

If payments are made by instalments, additional interest will apply over the repayment period. The maximum period to spread payments is 10 years.

Note: Any employer subsidy paid or interest charged is not refundable in the event of a future refund of contributions.

**What should I do if I have already taken LWOP and GSF has not been notified yet?** To minimize the cost to you at retirement, you should contact Datacom as soon as possible. Your LWOP history will be reviewed and the amount of any arrears and interest due will be calculated. You will be given repayment options, from which you can select the option that best suits you.

## Before taking any action – call Datacom

Before taking any action which may affect your GSF salary or service, please contact Datacom.

## Cease to be a contributor

If you wish to cease contributions to GSF, you must inform Datacom in writing in advance, advising of your intent to cease contributions and stating which option you choose to elect.

### Ceasing contributions while remaining in Government service

Your election must be for a future effective date and for one of the following options;

- Receive a refund of contributions, (form GS19 - see booklet GS19), or  
(*This option is not available to Armed Forces, Police or MP scheme members.*)
- Suspend contributions (only applies if you are under age 50), (form GS19/1 - see booklet GS19), or  
(*This option is not available to Armed Forces, Police or MP scheme members.*)
- In certain circumstances, leave contributions in GSF and receive a deferred pension on retirement, (form GS96/1 - see booklet GS96). Pension payments under this option cannot be backdated and will commence on the **later** of;
  - Turning age 50
  - Ceasing Government service
  - 3 months after making a further election
  - The date the election is received by Datacom

### Ceasing contributions and Government service

Your election must be for one of the following options using form GS20/1 - see booklet GS20;

- Receive a refund of contributions, or
- Suspend contributions and reactivate if re employed in Government service prior to turning age 50, or
- Transfer contributions to another approved superannuation scheme (must have more than 10 years service), or
- Leave contributions in GSF and receive a deferred retiring allowance on retirement (must have more than 10 years contributory service). Pension payments under this option cannot be backdated and will commence on the **later** of;
  - Turning age 50
  - A future start date elected by you

## Payment of GSF retiring allowances

To commence payment of your GSF retiring allowance from the date you cease Government service, you must have contacted Datacom within three months after your last day of paid service. If you make contact with Datacom more than three months after your last day of paid service, payments will not be backdated to your last day of paid service. The earliest you will be eligible to receive your GSF retiring allowance will be the date you first make contact with Datacom regarding commencement of payments. The calculation of your retiring allowance will take account of the later payment date.

To ensure your retiring allowance comes into payment as soon as possible after your last day of paid Government service, you are encouraged to contact Datacom two months prior to the date on which you plan to retire or are entitled to receive your GSF retiring allowance. This will help to ensure that your GSF entitlements are paid correctly and on time.

## GSF Booklets and FAQs

Copies of GSF booklets, and questions and answers about matters of interest with respect to GSF, are available on the Government Superannuation Fund Authority (GSFA) website – [www.gsfa.govt.nz](http://www.gsfa.govt.nz).

## Contact Details

If you have any queries or require any further information please contact:

### Datacom GSF Schemes Administration

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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.