

Member Update

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 websites: www.datacomgsf.co.nz and 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, whilst contributing to the Fund in the 5 years preceding your retirement or the final year (whichever is the lesser). Your entitlement is not based 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.

Change of personal details

To protect against the possibility of fraud, all changes to personal details such as address and bank account number must be in writing by completing a Change in Personal Details Form. The form must be signed by the GSF member. The form is available on the GSF Authority's website (www.gsfa.govt.nz) or on request from Datacom.

Amendments to the terms and conditions of employment

As per section 61A of the Government Superannuation Fund Act 1956 (the **Act**), elections to contribute to GSF may only be made by persons who are in permanent, full-time employment in Government service. Changes in employment conditions may mean that you are no longer eligible to continue to contribute to GSF.

You must inform Datacom of any changes to your current employment conditions such as:

- changes in your employment arrangements to, or from, temporary (fixed term) or casual contracts
- moving from full time to part time service, or vice versa
- changes in your hours of work
- changes to your employer

If you are considering any changes to your employment, it is important that you contact Datacom before the change is implemented to confirm if and how those changes may affect your GSF membership status and entitlements. All members who wish to recommence or continue contributions on joining a new employer must complete a 'Rejoining Form' (GS1) available on the Authority's website (www.gsfa.govt.nz) or on request from Datacom.

Ceasing contributions whilst remaining in Government service

Under the provisions of the Act, contributors are able to stop contributing to GSF and start contributing to another employer based scheme (e.g. KiwiSaver).

Contributors who make this election leave their GSF contributions in the Fund and, provided they have sufficient service, are then eligible to receive a deferred pension on the later of:

- Ceasing Government service
- Turning age 50
- 3 months after a further election to commence payment of retiring allowance.

Members under age 50 may also elect to cease contributions to GSF whilst remaining in Government service with the intention of resuming contributions before reaching age 50. Their contributory service is discounted to allow for the period during which contributions were suspended and their retiring allowance on retirement is correspondingly less than it would have been had contributions not been suspended. If such members do not resume contributions before reaching age 50, their only entitlement from GSF is to a refund of their own contributions. (This option is not available to Armed Forces, Police or MP scheme members.)

Leave without pay (LWOP)

LWOP refers to any period when a contributor is not being paid their normal pay and the regular flow of member contributions is interrupted. Reasons for unpaid absences vary but may include parental leave, sick leave without pay, personal reasons or industrial action (strike days).

It is the member's responsibility to inform GSF of their intention to take unpaid leave before the period of leave commences. You should not assume that your employer will inform Datacom.

Interest on amounts owing to GSF

It is GSF policy to charge interest on any amounts payable by members to the Fund which are not paid when they fall due. This includes normal contributions and any amounts payable when a member returns from leave without pay. Interest is charged and paid at the GSF Fund earning rate (or the 90 day bank bill rate where the GSF Fund earning rate is not yet published).

It is essential that when you are advised of any amounts owing to GSF (including any interest then due) you arrange for payment within the timeframe stated to avoid additional interest charges applying.

Multiple part time positions

Please note that GSF members may only contribute to GSF through one employer at any time. GSF will not accept contributions from multiple employers. For example, if a member is working 40% part time for one employer and 60% part time for another employer, we would usually recommend the member contributes to GSF in relation to the 60% part time position. GSF will not accept contributions from the member in relation to both positions.

Superable salary

Unlike KiwiSaver, most allowances are **not** superable for GSF purposes. Salary, for GSF purposes, means “salary or wages paid regularly in return for services”. It does not include any non taxable payments or other payments such as bonus payments, overtime payments, payments for special work performed, 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. Broadly speaking, superable salary means basic (ordinary) salary. Whether an allowance is superable for GSF purposes is determined by the Authority; it is not a decision that can be made by your employer. Employers should contact Datacom for confirmation **prior** to including any allowances in superable pay.

Reduction in salary

GSF members who have received a reduction in their superable salary rate have the option to continue contributing to GSF as if their salary rate had not reduced. To maintain the higher salary rate, the GSF member will need to make a Former Higher Salary (FHS) election within 3 months of the effective date of the reduction. Note, FHS elections may only be made where the member’s salary rate has reduced. Elections cannot be made as a result of a reduction in hours of work only.

Further information is available in the GSF booklet ‘Election to Contribute at Previous Salary Rate Following Reduction in Superable Salary (GS21)’ available on the Authority’s website (www.gsfa.govt.nz) or on request from Datacom.

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 after three months, payments will not be back-dated 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.

To ensure your retiring allowance is paid from the day after your last day of paid service, we recommend you contact Datacom at least two months before you plan to cease service. This will help to ensure that your GSF entitlements are paid correctly and on time.

GSF information booklets

Booklets can be obtained from the Authority’s website (www.gsfa.govt.nz) under the section ‘Schemes Publications and Booklets’. These booklets contain information and forms for GSF members and employers for each action or request.

Contact Details

As part of our service commitment to GSF members and their employers, we ask that any queries you have or receive in relation to GSF are referred to our administration team. If known, you should quote your GSF reference number when contacting us.

Datacom GSF Schemes Administration

Phone: (04) 470 6348

Freephone: 0800 654 731

Fax:(04) 470 6366

Address: PO Box 3614, Wellington 6140

Email: gsf@datacom.co.nz

Website:www.datacomgsf.co.nz

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.