

What type of scheme is GSF?

GSF is a defined benefit scheme. Every day of contributory service must be paid for.

Your entitlement is determined by your age at retirement, your length of service while contributing to GSF and the lesser of your final year's superable salary and the average of your last five years' superable salaries while contributing to the GSF. Your entitlement is not based on the contribution amount paid by you or the subsidy amount paid by your employer.

Superable Salary

Unlike KiwiSaver, most allowances are not superable for GSF purposes. Salary for GSF is defined as "salary or wages paid regularly in return for services".

It does not include any non-taxable payments or payments such as bonus or overtime payments, lump sums paid in lieu of notice or leave, retiring or redundancy gratuities or payments for special work performed.

Superable salary generally means basic (ordinary) salary. Whether an allowance is superable for GSF purposes is determined by the GSF 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.



Member Update

This update is important to members of the Government Superannuation Fund (GSF or the Fund) – 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

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 if you are in permanent, full-time employment in Government service. Changes to 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 between full-time and part-time service, or changes in your hours of work
- change of employer

If you are considering any changes to your employment, you should 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 GSF 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, such as KiwiSaver.

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

- ceasing Government service
- turning age 50
- three 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 a refund of their own contributions paid. (Note: 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.

Reduction in Salary

GSF members whose superable salary has reduced may be able to continue contributing to GSF as if their salary had not reduced. To maintain the higher salary, the GSF member will need to make a Former Higher Salary (FHS) election within 3 months of the effective date of the reduction. FHS elections can only be made and accepted where the member's salary rate has reduced, not as a result of a reduction in hours of work only.

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

Change of Personal Details

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

Interest on amounts owed to GSF

It is GSF policy to charge interest on any amounts owed by members to the Fund which are not paid when they fall due. This includes contribution arrears and any amounts payable when a member takes periods of leave without pay. 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.

Payment of GSF retiring allowances

For payment of your retiring allowance to commence from the date you cease Government service, the following conditions must be met:

1. Datacom must be advised of your cessation of service no later than 3 months after your last day of paid service (LDOPS). You should not rely on your employer to advise Datacom that you have ceased service.
2. You must make the necessary elections and provide the information required to put your entitlements into payment within the advised timeframes.

If the above conditions are not met, payment cannot commence until a later date and your retiring allowance will be recalculated at that date. Payment cannot be backdated.

To ensure your retiring allowance commences at the earliest date, we recommend you contact Datacom as soon as you have confirmed your LDOPS with your employer.

Last Day of Paid Service (LDOPS)

Your GSF retiring allowance is payable from the day after your LDOPS. The LDOPS may not be your last day of duty. LDOPS is the date your employment contract with your employer ceases and may include a period of paid leave taken after your last day of duty, such as unused annual leave or retirement leave.

Before advising GSF of your retirement, you should discuss your LDOPS with your employer's payroll office.

GSF information booklets

Booklets can be obtained from the GSF 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.

Contact details

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

Datacom GSF Schemes Administration

Phone: (04) 470 6348

Fax: (04) 470 6366

Address: PO Box 3614, Wellington 6140

Free phone: 0800 654 731

Email: gsf@datacom.co.nz

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