

Government Superannuation Fund

Schemes Administration Newsletter

September
2014

Member Update

This is an important update 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

Leave without pay

From time to time, you may need to take unpaid leave from your employment. There are a variety of reasons for unpaid leave, such as personal reasons, parental leave, sick leave without pay or industrial action (strike days). For GSF purposes, any such periods are referred to as leave without pay or LWOP.

Members of certain GSF Schemes who are under age 50 can elect, in advance of the period of LWOP, not to pay any contributions in respect of the period of leave and to instead suspend their contributory service for the period. In this case the member's GSF contributory service is discounted to allow for the break in contributions. *(This option is not available to Police or MP scheme members.)*

Members who have not elected to suspend contributions, or are unable to do so, must pay all member contributions for the leave period to GSF, as well as an additional amount representing the employer subsidy. In this case the period of

leave is included in their GSF contributory service.

Where members are subject to holiday adjustments in relation to LWOP under a teachers' collective agreement, these adjustment periods are also treated as LWOP.

It is your responsibility to inform GSF of your intention to take LWOP before the period of leave commences. You should not assume your employer will inform Datacom. Advising GSF of unpaid leave in advance will enable your contributions to be reconciled in a timely manner upon your return to work and will reduce the likelihood of interest charges being incurred for late payment.

Changes to your employment

GSF is governed by the Government Superannuation Fund Act 1956 (the Act). Under the Act, changes to your employment conditions may mean you are no longer eligible to continue contributing to GSF.

This may include changes such as:

- moving to temporary (fixed-term) or casual contracts;
- moving between full time and part time service, or changes in your hours of work;
- any period of secondment, whether with the same employer or a different employer;
- commencing with a new employer.

If you are considering changing your employment arrangement, you should contact Datacom before any change takes effect to confirm if and how your GSF membership status and entitlements may be affected.

All members who wish to recommence or continue contributions on joining a new employer must complete a **Rejoining Form (GS1)**. When ceasing service, members must complete a **Cessation of Government Service (GS20)** form.

Payment of deferred retiring allowances

On ceasing Government service, provided they have sufficient contributory service, members of some GSF Schemes may elect to leave their contributions in GSF and receive payment of a deferred retiring allowance from age 50 or later.

In order to commence payment of their deferred retiring allowance, members must complete an **Election for payment of a Deferred Retiring Allowance** (GS61S) form, available on request from Datacom.

Members who have made such an election should be aware that the deferred retiring allowance is only payable from a future date and cannot be back-dated. Members should contact Datacom as soon as they know the date they wish their allowance to start to ensure payment commences from the intended date.

Election to cease contributions and receive a deferred pension

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

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

- ceasing service with the employer they were with at the time contributions ceased
- reaching age 50
- 3 months after a further election to commence payment of the deferred pension

The further election to commence payment must be made by completing an **Election for payment of a Deferred Pension** (GS61R) form, available on request from Datacom.

Members should note that in some GSF schemes the pension factor used to calculate **deferred retiring allowances** and **deferred pensions** does not increase once members reach a certain age (New General Scheme - age 65, Prisons Scheme – age 58, Police Scheme – age 55). In addition, payment can only be made from a future date and cannot be back-dated.

Interest on amounts owed to GSF

It is GSF policy to charge interest on any amounts owed by members to GSF that 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 to be made within the timeframe stated to avoid additional interest charges applying.

Member contact details

It is important members keep their contact details up to date and maintain contact with Datacom. This is particularly important if members have ceased Government service and are not yet in receipt of their entitlement.

Any change in personal details, such as address, must be made in writing by completing a Change in Personal Details form and must be signed by the member.

Payment of entitlements

Unless a member wishes to withdraw their contributions from GSF, they may only receive payment of their entitlement if they have ceased Government service. This applies irrespective of the member's age.

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GSF information booklets and forms

Booklets and forms are available on request from Datacom and may be downloaded from the GSF Authority's website - www.gsfa.govt.nz under Members > Booklets. These booklets contain information and forms for GSF members and employers.

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.