

# Government Superannuation Fund Annuitants Newsletter

*March  
2015*

The information in this newsletter is important and is intended to increase members' understanding of the options available to them and provide guidance to spouses on the information the Government Superannuation Fund Authority (the Authority) and the GSF scheme administrator (Datacom) may require from them on the death of the member. Further information can be found on the following websites: [www.datacomgsf.co.nz](http://www.datacomgsf.co.nz) and [www.gsfa.govt.nz](http://www.gsfa.govt.nz)

## **Change in Personal Details form**

In 2010 we introduced a new form for all annuitants to complete when there is a change to their personal details such as address or bank account. The form must be signed by the annuitant or their attorney appointed under a Power of Attorney.

The form was introduced to help reduce the potential for fraud. It is available for download from the Authority's website [www.gsfa.govt.nz](http://www.gsfa.govt.nz), under *Members>Forms and Booklets*, or on request from Datacom.

Please note failure to notify Datacom of a new address or bank account may result in your annuity being suspended until the information is received.

## **Spouse Entitlements on Death of the Member**

For GSF purposes, **spouse**, in relation to any person is defined as *'any man or woman whom the Authority, in its discretion, regards as being the wife or husband of the person immediately before the person's death'*.

In deciding whether a person is entitled to receive a spouse entitlement from GSF the Authority considers, amongst other matters, the couple's mutual commitment to a shared life together. For example, if a married couple is separated but not divorced, the spouse may or may not be entitled to a spouse annuity from GSF. Alternatively, where a couple is not married, the partner of the deceased member may be entitled to receive a spouse annuity.

Where the position is not totally clear, the Authority will request information from the spouse to confirm the nature of the relationship between the spouse and the deceased member before making its decision. For example, where the relationship between the deceased member and the spouse commenced after the date on which the deceased member began receiving his or her retiring allowance, the Authority will request information to confirm the date on which the relationship commenced to establish the spouse's entitlements.

To assist your spouse or partner at what will be a difficult time, we encourage you to discuss these requirements with them and, if necessary, collate information that may assist with their application for a spouse entitlement on your death. This may include, for example, retaining copies of correspondence addressed to both of you, evidence of joint ownership of property and of shared finances for up to 5 years prior to your date of death. This information will assist the Authority in processing the application for a spouse entitlement in a timely manner.

## Suspension of GSF Annuity

Where mail is returned as *undeliverable* or *gone no address*, Datacom will initially endeavour to trace the annuitant through generally available means (for example the White Pages). Datacom will then write again to the annuitant, at the corrected address if necessary, requesting they complete a *Change in Personal Details* form to confirm the address details.

If no response is received to this second letter, payment of the annuity will be suspended (stopped) until the annuitant confirms their address details to Datacom. Datacom notifies the Authority of all suspensions.

On receipt of the annuitant's correct address, the annuity will be reinstated by Datacom and any missed payments will be paid to the annuitant. Interest will not be paid by GSF to the annuitant on any missed payments.

## Assignment

An assignment is where the member gives up part of their annuity to provide an annuity (or a higher annuity) for another person, such as a spouse (the **assignee**). The annuity is paid to the assignee for the whole of their lifetime and does not revert back to the member when the assignee dies.

An assignment election may be made at any time before death by a member who is an annuitant using the prescribed election form. The election form is available on request from Datacom. Please note for an assignment election to be valid, the election form must be completed correctly and received by GSF before a member's death.

An assignment may be an appropriate way of sharing your annuity with another person. Further commentary on assignment is provided under the section of this newsletter headed *Matrimonial or Relationship Property Agreement*.

If you would like more information on this option, please contact Datacom.

## Enduring Power of Attorney and Overseas Annuitants

An Enduring Power of Attorney (**EPoA**) is a legal document pursuant to which a person (the **Donor**) provides for a third party/parties (the **Attorney**) to act on their behalf whilst the Donor is mentally incapacitated. The EPoA may also provide for the Attorney to act whilst the Donor is not mentally incapable.

There are two kinds of EPoA: a) those in relation to property and b) those in relation to personal care and welfare. This section only deals with EPoAs entered into in relation to property.

EPoAs entered into under legislation outside New Zealand are not valid in New Zealand if the Donor becomes mentally incapable. That is, if a member (as Donor) has signed an EPoA outside New Zealand authorising another person(s) or entity, to be their Attorney and to act on their behalf when they become mentally incapable, and the Donor then becomes mentally incapable, the Attorney will not be able to act on behalf of the Donor in respect of their GSF entitlements. In this case, the Attorney will not be able to authorise a change to personal information held for a GSF member (for example the member's contact details and bank account number) or sign the Identity and Survival Form on behalf of the member.

For an EPoA to be valid in New Zealand it must be an enduring power of attorney in relation to property entered into under New Zealand legislation (i.e. the Protection of Personal and Property Rights Act 1998) or, if entered into outside New Zealand, be approved by a New Zealand Court. Alternatively, for Donors in Great Britain or Australia, an authorised person (including the Attorney) may direct Public Trust in New Zealand to act on their behalf in respect of the Donor's property in New Zealand. (*Please note we understand this is not a straightforward process.*) For annuitants resident in Australia, the Authority will accept the appointment of The Public Trustee in Australia as Attorney under an EPoA to act on behalf of a member provided a Certificate of Authority is provided by The Public Trustee in Australia.

## Matrimonial or Relationship Property Agreement

Some members enter into a Matrimonial or Relationship Property Agreement that provide for the member's GSF annuity to be **shared with** or **assigned to** a spouse (or ex-spouse).

The difference between **shared with** and **assigned to** is explained further below.

We note that, on receipt by Datacom, all Relationship Property Agreements are referred to the Authority for confirmation the provisions of those agreements can be implemented by GSF. The Authority will advise the parties concerned immediately if a Relationship Property Agreement cannot be implemented.

### Sharing

This is where a Relationship Property Agreement requires a member to **share** their entitlements or their annuity from GSF with their spouse or partner.

**Example:** A member is receiving an annuity of \$1,000 per annum. A Relationship Property Agreement is entered into between the member and their spouse. That agreement requires GSF to pay 60% of the member's annuity to the member and 40% the member's annuity to the spouse. The member would receive \$600 per annum and the spouse would receive \$400 per annum. The total of the annuity payments after implementation of the Relationship Property Agreement is the same (\$1,000 per annum).

### Position on death of the member

On the death of the member, the annuity payments to the member and the spouse under the Relationship Property Agreement cease. If the spouse dies before the member, the portion of the annuity being paid to the spouse ceases and those payments revert to the member.

Sharing is only possible as a result of a direction under a Relationship Property Agreement. It is not an option otherwise available to members.

### Assignment

This is where, as part of the Relationship Property Agreement, a GSF member **assigns** a portion (up to a maximum of 50%) of their annuity to another person, for example their spouse.

To give effect to the assignment, GSF requires the member to make a formal election under section 91B of the Government Superannuation Fund Act 1956 (the **Act**).

Under the Act, the assignment must not impose any additional cost on GSF over the expected lifetime of the member. Therefore the **total value** of the annuities, before and after the assignment(s), must be the same. In most cases, an assignment election is made by a male member in favour of a (younger) female spouse. In this case, the combined **amount** of the annuities after assignment will be less than the combined **amount** of the annuities before the assignment. This is primarily because the male member and the female spouse will have different life expectancies, i.e. a female spouse is expected to live longer, and thus receive annuity payments for longer, than a male of the same age.

**Example:** A member is receiving an annuity of \$1,000 per annum and, in accordance with the Relationship Property Agreement, elects to assign 40% of his annuity to his spouse. The member's allowance would reduce to \$600 per annum, and the spouse would receive, say, \$360 per annum (a combined total of \$960). (The actual amount payable to the spouse is calculated actuarially, so as not to increase the overall cost to the GSF.)

### Position on death of the member

On the member's death, payment of the assigned portion of the member's annuity to the spouse will continue until the spouse dies. If the spouse dies before the member, payment of the annuity to the member continues at the reduced rate of \$600 per annum. The portion of the member's annuity assigned to the spouse does not revert to the member on the spouse's death.

Assignment is an option available to all GSF annuitants prior to death. It does not have to be as a result of a direction under a Relationship Property Agreement.

## The Authority's website

The Authority's website, [www.gsfa.govt.nz](http://www.gsfa.govt.nz), provides information on the Authority, the Fund and the GSF Schemes.

The Authority publishes its key reports and policies on the website. These include the Financial Statements for both the Authority and the Fund; the Authority's Statement of Intent and Statement of Performance Expectations; the Statutory Actuarial Valuation of the Fund; the Statement of Investment Policies, Standards and Procedures; the Responsible Investment Statement; and the Provisions, Policies and Procedures of the Government Superannuation Fund (which supplement the Government Superannuation Fund Act 1956).

Archive copies of most of the key reports noted above are also available for review on and download from our website.

The website also includes booklets, forms, frequently asked questions and useful contact information. The website is regularly updated so if you have not visited the GSF website recently you may wish to do so now.

[www.gsfa.govt.nz](http://www.gsfa.govt.nz)

### Contact Details

The scheme administrator for the GSF schemes is Datacom. Datacom holds all the records of your membership with GSF and will be able to answer any queries you have regarding your membership.

The contact details for Datacom are set out below. If known, please quote your GSF reference number when contacting Datacom.

Datacom Employer Services Limited  
GSF Schemes Administration  
P O Box 3614  
Wellington 6140

Phone: (04) 470 6348  
Freephone: 0800 654 731  
Fax: (04) 470 6366  
Email: [gsf@datacom.co.nz](mailto:gsf@datacom.co.nz)

[www.datacomgsf.co.nz](http://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.