



Government Superannuation Fund

Schemes Administration Newsletter

September
2016



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

www.gsfa.govt.nz

Last day of paid service (LDOPS)

Your GSF retiring allowance is payable from the day after your last day of paid service (LDOPS). LDOPS may not be your last day of duty; It is the date your employment contract ceases and may include a period of paid leave (such as annual leave or retirement leave), which has been agreed with your employer and taken after your last day of duty. Before advising GSF of your retirement, you should discuss and agree your LDOPS with your employer's payroll office.

Elections

All members will need to make elections at some point during their membership, if only to elect to receive their entitlement. Many elections have timescales applying to them, with elections made outside the timescales either being not valid or resulting in members receiving their entitlements later than they had wished.

If you make an election and do not receive an acknowledgement from Datacom within 10 working days we recommend you contact us to check that the election has been received. Where an election has been made but is reliant on information from another party, such as your employer, we will keep you updated on progress on a regular basis. Where further information is required from you, you will be advised of any further timescales applying to the provision of that information.

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 a period of LWOP, not to pay any contributions in respect of the unpaid absence and to instead suspend their contributory service for the interval. In this case the member's GSF contributory service is discounted to allow for the break in contributions.

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 LWOP in advance will enable your contributions to be reconciled in a timely manner upon your return to work and reduce the likelihood of interest charges being incurred for late payment.

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'.

Superable salary does not include any non-taxable payments or payments such as bonus or overtime, lump sums paid in lieu of notice, holiday pay at cessation of employment, 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.

Reduction in Superable 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).

Moving to part time hours

If you move to part time hours and are still eligible to contribute to GSF, your contributions are based on your part time superable salary and your contributory service accrues at the part time rate. For example, if you reduce your hours to 90%, for every 12 months you contribute to GSF you will be credited with 10.8 months contributory service. However, for the purposes of calculating your retiring allowance, your part time salary is increased to its full time equivalent. That is, moving to part time hours affects your contributory service but not the salaries used in calculating your entitlements.

Please note that you are only eligible to contribute to GSF through one employer at a time. GSF will not accept contributions from multiple employers. Unless you are no longer eligible to contribute to GSF, on moving to part time hours your contributions will continue through your existing employer even if you take up another position with another employer with higher hours.

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.

Datacom GSF Schemes Administration

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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 > Forms and Booklets**. These booklets contain information and forms for GSF members and employers.

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, available on the GSF Authority's website, and must be signed by the member.

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.