

Government Superannuation Fund

Employer Newsletter - April 2018

This update is important to employers – it confirms the responsibilities of employers to Government Superannuation Fund (GSF) and also outlines Datacom's process for the collection and forwarding of contributions and associated data to GSF.

If you have any queries regarding the information contained in this newsletter, please contact Datacom on 0800 654 731 or by email to GSF@datacom.co.nz

GSF - governing legislation

GSF is governed by the Government Superannuation Fund GSF Act 1956 (the **Act**).

Section 95 (2) of the Act requires employers to pay employer subsidy to GSF in each financial year, and at such times as reasonably specified by the Authority, as certified by the Authority's Actuary. The Authority requires subsidy to be paid to GSF at the same time as member contributions are paid to GSF.

Section 61B requires employers to deduct member contributions from the member's superable salary and pay them to GSF as the salary becomes payable from time to time.

Overall, this means the employer is required to pay to GSF both the employer subsidy and the member contributions every payroll period.

Employer responsibilities to GSF

Employers are required to:

- provide GSF with accurate information;
- deduct the correct amounts from member salaries; and
- pay the correct amounts to GSF,

all in a timely manner. This helps ensure member records are kept up to date and entitlements can be made on time.

Where the information provided or the amount paid to GSF by the employer or their payroll provider is incorrect, it is the employer's responsibility to resolve the discrepancies. Datacom will assist with this process but cannot resolve issues arising from the employer's payroll.

Employers must:

- Work out the member contributions due to GSF, using the appropriate calculation method, and calculate the employer subsidy by applying the correct subsidy rate.
- Provide accurate information in the payroll file immediately after the pay run. The payroll file sent by the employer to Datacom must be in the approved format (dat or csv file) and include the following information:
 - *Member (employee) contribution amount, GSF member number and the member's full-time equivalent superable salary (per annum).*
 - *Effective date of the member's superable salary.*
 - *Part-time rate, i.e. percentage of the full-time rate (.dat files requires both part time and full-time rate on the payroll file).*
 - *Last day of paid service (LDOPS), where applicable.*
- Ensure employee contributions, and any other agreed deductions, are deducted from members' salaries and paid to the correct GSF bank account depending on the employer payroll cycle.
- Provide subsidy schedule to GSF and make payment of employer subsidy to the correct GSF bank account in a timely manner.
- If an over or underpayment occurs, it is the employer's responsibility to identify this and advise Datacom.

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 Government Superannuation Fund 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.