

# Government Superannuation Fund

## Schemes Administration Newsletter

September  
2015

### Retiring allowance calculation

On cessation of service, a contributor may be entitled to an annual retiring allowance. Depending on the scheme, the retiring allowance calculation takes into account the following factors:

- Final five years' superable salary before ceasing to contribute
- A pension factor based on the contributor's age at retirement or payment
- Length of contributory service to GSF

Where a member contributes on part-time service, the full-time equivalent salary will be used in the assessment of entitlements and the contributory service will accrue at a rate proportionate to the part-time service.

The pension factor used to calculate the retiring allowance reaches a maximum at a certain age (New General Scheme: age 65; Prisons Scheme: age 58; Police Scheme: age 55).

If you would like to discuss the impact that changes to your employment may have on your GSF entitlements, please contact Datacom.

### 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 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](http://www.datacomgsf.co.nz)

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

### Payment of entitlements

Current contributors to GSF are only eligible for payment of an entitlement on cessation of Government service, irrespective of the member's age.

Member elections are subject to certain timeframes. Members should read correspondence carefully to ensure they are complying with the specified timeframe and should contact Datacom if there is any delay in making an election.

Failure to return election forms within the timeframes required may result in payments being deferred or certain options ceasing to be available to the member.

### Deferred retiring allowances

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

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.

The deferred retiring allowance is payable from a future date and cannot be back-dated. Members should contact Datacom as soon as they know the date they wish payment of their allowance to commence to ensure it commences from the intended date.

## Election to cease contributions and receive a deferred pension

Members may elect to cease contributing to GSF and receive a deferred pension, provided they are contributing to another registered superannuation scheme. The member's contributions remain in GSF and the deferred pension is payable from the later of:

- ceasing service with the employer they were with at the time contributions ceased
- reaching age 50
- 3 months after the election to commence payment of the deferred pension is received by Datacom.

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. Note that payment can only be made from a future date and cannot be back-dated.

## 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)**.

## 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.

## 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.

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.

### 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](http://www.gsfa.govt.nz) under **Members > Forms and 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.