



Options Available While Remaining in Government Service

GOVERNMENT SUPERANNUATION FUND

NEW GENERAL Scheme

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Important information

The Government Superannuation Fund (GSF) schemes are managed and administered by the GSF Authority (the Authority) in terms of the GSF Act 1956 (the GSF Act). The Authority has appointed Datacom Employer Services Limited (Datacom), a subsidiary of Datacom Group Limited, as the Schemes Administrator.

The Schemes Administrator does not have the authority to interpret the GSF Act or to make any determination on questions arising under the GSF Act. All interpretative issues and determinations are referred to the Authority for a decision.

If there is any doubt about a matter, eg. how an allowance is calculated, the Schemes Administrator will approach the Authority for a determination and then advise the contributor of the Authority's decision. If the contributor disagrees with, or is dissatisfied with, the Authority's decision he/she has the right to appeal to the GSF Appeals Board (the Appeals Board) against that decision.

The GSF Act requires the Authority to exercise its discretion consistently with the published statement of policies unless it considers it inappropriate to do so in the particular circumstances. The statement of policies may be amended by the Authority from time to time, subject to compliance with the procedural requirements set out in the Act.

Appeals must be made in writing within 28 days of the Authority's decision being advised to the contributor. The appeal will then be presented to the Appeals Board at its next meeting. The Appeals Board considers all written and oral evidence submitted by the contributor or his/her representative, as well as the Authority's report, and takes into account the interests of the Crown and any other interested party before making its decision. The Appeals Board's decision is final and the contributor is advised of the outcome.

Disclaimer

This booklet is a summary of key 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 has been made to ensure that the information contained in this booklet is accurate, it is intended as a guide only. In particular, please note that:

- This booklet does not take into account any individual's particular circumstances, financial or otherwise.
- The policies and conditions described in this booklet can change over time so before taking any action you should check whether the information contained in this booklet is still up to date.

This booklet 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 nor any other person accepts any liability for any loss, damage, cost or expense that may arise from any reliance on any information contained in this booklet.

This booklet is not intended to, and does not create, any legal or equitable rights exercisable by any person. If you have any queries in relation to the schemes, or require any further information in relation to the schemes, please contact:

Schemes Administrator
Government Superannuation Fund
Datacom Employer Services Limited
P O Box 3614
Wellington 6140

Free Phone: 0800 654 731
Telephone: (04) 470 6348
Fax: (04) 470 6366

Options Available While Remaining in Government Service

1. Introduction

This booklet provides information on options available while remaining in Government service for contributors to Part 2A of Government Superannuation Fund (GSF) (the New General Scheme) under the GSF Act and the various associated policies. The position may be different under other schemes within the GSF (eg. the Armed Forces, Police or Prison Schemes).

This booklet covers:

- election to cease to be a contributor to GSF and receive a refund of contributions ('withdrawal from GSF'),
- election to temporarily cease contributions while remaining in Government service, and
- cessation of employment with one Government employer and employment with a new Government employer.

In this booklet, the term "partner" is used to refer to a civil union partner or de facto partner (as defined in the Property (Relationships) Act 1976) and includes any person whom the Authority regards as being the civil union or de facto partner of a deceased person immediately before that person's death.

The term "spouse" is used to refer to any man or woman whom the Authority regards as being the wife or husband of the person immediately before the person's death.

Note - a contributor who withdraws contributions is unable to rejoin GSF.

The Schemes Administrator will provide an estimate of future entitlements on request. Before ceasing contributions to GSF, please ensure you contact the GSF Schemes Administrator to determine whether you are required to complete **Form GS19 – Change of Status** at the back of this booklet.

2. Withdrawal

A contributor who is not ceasing Government service may elect to cease being a contributor to GSF and receive a refund of contributions on giving notice in writing, of their intention to do so. No interest is payable under this option. Standard (contributor) contributions only will be refunded.

Any interest paid or owed to GSF or any amount paid in excess of the standard contribution rate does not form part of the refund of contributions, and is retained by GSF.

An election to withdraw cannot be revoked once received by the Schemes Administrator.

Under current New Zealand tax law, the refund is not subject to income tax.

If a charge is registered over the contributions the chargeholder will be given the opportunity to seek payment before a refund is paid.

3. Election to temporarily cease contributions while remaining in Government service

Contributors under age 50 have the option to cease contributions while remaining in Government service, and to later resume contributions so long as contributions are resumed before reaching age 50.

If you do not resume contributions before reaching age 50, while remaining in Government service, you will then receive a refund of your standard (contributor) contributions only. No interest is payable. You may, in any event, subsequently elect to receive a refund of your standard (contributor) contributions, without interest, at any time before age 50, whilst remaining in Government service.

Contributors on leave without pay or intending to go on leave without pay may wish to consider this option. Please refer to **Booklet GS7 - Information on Leave Without Pay**.

Note - if you resign from Government service while contributions have been suspended, you will need to make a further election. Please contact the Schemes Administrator.

Rights while contributions are not being paid

If a contributor dies whilst his contributions are temporarily suspended and is survived by a spouse or partner, the spouse or partner has the choice of:

- (a) a refund of contributions plus interest, or
- (b) a spouse or partner's allowance of one half the retiring allowance that would have been payable to the contributor if that contributor had been entitled to an allowance at the date of death.

If a contributor dies and is not survived by a spouse or partner, a refund of contributions plus interest will be paid to the estate.

No allowance is payable to or for any child of a deceased contributor.

If the contributor becomes medically unfit for further duty a retiring allowance may be paid.

Effect on former contributory service

When a contributor resumes paying contributions the earlier period of contributory service is reactivated. This period of earlier service is first discounted, as set out below, and then treated as having taken place immediately prior to the date contributions are resumed.

The discounting is a reduction of 1.25% of each year of non-contribution for which there is a corresponding year of previous contributory service, and 2.25% for each year of absence in excess of previous contributory service.

Example

Contribution service: 28/01/1997 to 19/04/2000 (3.22 years or 1178 days)

Break in service: 20/04/2000 to 06/10/2007 (7.46 years or 2727 days)

Difference: 7.46 – 3.22 = 4.24 years

Discounting calculated as follows:

$$\begin{aligned} ((3.22 \times 1.25) + (4.24 \times 2.25))/100 &= 0.1356 \\ &= 0.1356 \times 3.22 \\ &= 0.4366 \text{ years (160 days)} \end{aligned}$$

The discounted previous service of 1018 days (1178-160 days) is treated as immediately preceding the resumption of contributions date of 7 October 2007 to give a 'commencement date' of 24 December 2004.

The higher rate of discounting of 2.25% applies to the length of the break in service in excess of the previous period of contributory service. The longer the break, the more discounting that will be applied.

4. Cessation of employment with one Government employer and employment with a new Government employer

If you are ceasing employment with an employer you must advise the Schemes Administrator who will provide details of the options available to you. Please refer to **Booklet 20 – Options Available on Cessation of Government Service**.

If you are joining a new employer you must complete **Form GS1 – Rejoining Form** (appended to this booklet). The Schemes Administrator will confirm whether or not you can contribute to GSF with your new employer.

One of the options available on ceasing Government service is to continue to contribute to GSF for up to 3 months. This may be an option members wish to consider particularly when changing employers, where a contributor might otherwise have a short break in service. Additional contributions are required and the election to continue contributions must be made before ceasing Government service. The right to continue to contribute for more than 3 months may, in special circumstances, be approved by the Authority.

Contributors cannot be transferred to another scheme within GSF.

GSF booklets for the New General Scheme include

- GS 2 Retiring Allowance Options
- GS 5 Granting a Charge over your Contributions to GSF
- GS 6 Information
- GS 7 Information on Leave Without Pay
- GS 19 Options Available While Remaining in Government Service
- GS 20 Options Available on Cessation of Government Service
- GS 21 Election to Contribute at Previous Salary Rate Following Reduction in Superable Salary
- GS 22 Contributing in Respect of Prior or Interrupted Government Service
- GS 96 Option to Cease Contributing to GSF and Elect a Deferred Pension

If you would like copies of booklets relevant to your membership, please contact the Schemes Administrator at the address noted at the front of this brochure. Copies of the booklets are also available on the Authority's website – www.gsfa.govt.nz

NOTICE OF CESSATION OF CONTRIBUTIONS

(To be completed by the contributor)

Please note:

1. Only one option can be elected.
2. These options are only available to contributors who satisfy the particular criteria relevant to a particular option. If you have any queries regarding your eligibility to elect any of these options please contact the Schemes Administrator.

A To cease contributions to GSF and receive a refund without interest of my contributions to GSF (by way of payment made to my account as shown on the attached deposit slip or to the account number below).

Account Number _____ - _____ - _____ - _____

By signing this form I understand that my election is irrevocable once received by the Schemes Administrator.

OR

B To temporarily cease contributions to GSF, leaving my contributions in GSF, with the right to resume contributions before reaching age 50.

By signing this form I understand:

1. my election is irrevocable once received by the Schemes Administrator,
2. I have the right to resume contributions provided I do so before reaching age 50,
3. if I have not resumed contributions before reaching age 50, I will only be entitled to receive a refund of my contributions to GSF, and
4. I may, in any event, elect to receive a refund of my own contributions at any time before reaching age 50.

Please ensure you read the Privacy Act Statement on page 2 of this form.

First Names _____ Surname _____

GSF Number _____ Date of Birth ____ / ____ / ____

Postal Address _____

Home Phone () _____ Work Phone () _____

Personal Email Address *(see overleaf)* _____

Name of Current Employer _____

Employer's Address _____

Signature _____ Date ____ / ____ / ____

Forward the completed form to the Schemes Administrator, GSF, PO Box 3614, Wellington 6140.

If you have any queries please call toll free 0800 654 731 or (04) 470 6348.



Privacy Act Statement

The personal information you supply by completing this form is being collected by Datacom Employer Services Limited (**Datacom**), as administrator of the schemes on behalf of the Government Superannuation Fund Authority (the **Authority**). The schemes are governed by the Government Superannuation Fund Act 1956 (the **Act**). The information collected in this form will be held by Datacom. It will be used to process your election under this form and/or update your member record. It may also be used to contact you in the future.

The information may be exchanged between the Authority and Datacom. It may be disclosed to third parties such as Annuitas Management Limited (provider of executive office/secretariat service to the Authority) or agents of the Authority or Datacom, in accordance with the Privacy Act 1993, for the purpose of the ongoing management and administration of GSF and the schemes and to enable the Authority to fulfil its statutory or legal obligations, such as for tax reporting or anti-money laundering requirements. If you do not provide the information requested, we may not be able to process any election and/or update your member record, as set out in this form.

By providing your **email address** you consent to Datacom and/or the Authority contacting you by email regarding your entitlements under the schemes governed by the Act and other information about services, as appropriate. You also agree, pursuant to the Unsolicited Electronic Messages Act 2007, that the person sending any such message need not include a functional unsubscribe facility in the message.

You are entitled to access and request correction of the personal information collected in this form in accordance with the Privacy Act 1993. For more detailed information about the Privacy Act you can refer to the Privacy Commissioner's Guide to the Privacy Act 1993. The Authority's Privacy Policy can be viewed at www.gsfa.govt.nz.

Government Superannuation Fund Authority
PO Box 3390
Wellington 6140

Datacom Employer Services Limited
PO Box 3614
Wellington 6140

ELECTION TO RECOMMENCE OR CONTINUE CONTRIBUTIONS TO GSF ON JOINING A NEW EMPLOYER

(To be completed by all contributors on joining a new employer and forwarded to the Schemes Administrator.)

You may only recommence or continue contributions to GSF if both you and your new employer meet certain eligibility requirements. A summary of these requirements is set out overleaf. In some circumstances, if you do not meet these requirements in full, you may be able to recommence, or continue contributions, to GSF with the approval of the Authority. Please contact the Schemes Administrator as soon as possible before starting employment with a new employer to confirm your eligibility to recommence or continue contributions to GSF.

Please ensure you read the Privacy Act Statement overleaf.

Employee details

First Names _____ Surname _____

GSF Number _____ Date of Birth ____ / ____ / ____

Postal Address _____

Home Phone () _____ Work Phone () _____

Email Address *(see overleaf)* _____

Date last ceased Government service _____

Option elected when you last ceased Government service

- | | |
|--|--|
| <input type="checkbox"/> Refund of contributions | <input type="checkbox"/> Leave contributions in Fund |
| <input type="checkbox"/> A deferred pension | <input type="checkbox"/> A deferred retiring allowance |
| <input type="checkbox"/> An immediate retiring allowance | <input type="checkbox"/> Transfer to another scheme |
| <input type="checkbox"/> I did not make an election | |

Did you elect to continue contributing to GSF after you had ceased employment

- | | |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

New Employment details

Name of Employer _____

Postal Address _____

Contact Name _____ Contact Phone () _____

Date employment commenced _____

Nature of employment

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Full time | <input type="checkbox"/> Part time working of full time hours <input type="text"/> % |
| <input type="checkbox"/> Permanent | <input type="checkbox"/> Temporary |

If not permanent

- | | |
|---------------------------------|---|
| <input type="checkbox"/> Casual | <input type="checkbox"/> Fixed term contract for <input type="text"/> years |
|---------------------------------|---|

Please tick all boxes that apply.

Signature _____ Date ____ / ____ / ____



CONDITIONS FOR RECOMMENCING, OR CONTINUING CONTRIBUTIONS TO GSF

Employee requirements

GSF is closed to new joiners. To recommence or continue contributions with a new employer you must already have an entitlement (other than a deferred pension, see below) with GSF which has not been put into payment.

If you meet the above requirement you may only recommence or continue contributions as a right if you are under age 50 and in permanent full-time employment.

If you are over age 50 or your employment is not permanent or you are working part-time, your application to rejoin GSF will be considered by the Authority. For example, casual or fixed short-term employment is not considered superable for GSF purposes.

Employer requirements

Your employment must be recognised by GSF as Government service as defined under the Government Superannuation Fund Act 1956. If your employer is a State Owned Enterprise or a Crown Entity there is no guarantee that your employment with them will meet the definition of Government service even if your employer is already contributing to GSF for other existing employees.

Datacom will be able to confirm whether your employment is recognised as Government service. In some circumstances a determination may need to be sought from the Authority.

Notes

An election to cease contributions to GSF and receive a **deferred pension** is an option available whilst still in Government service. To be eligible a member must have been accepted as a member of another qualifying scheme, such as KiwiSaver. A deferred pension cannot come into payment until the member ceases Government service, at the earliest. Such elections are irrevocable.

Forward the completed form to the Schemes Administrator, GSF, PO Box 3614, Wellington 6140.

If you have any queries please call 470 6348 or toll free 0800 654 731 if calling from outside the Wellington area.

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