Option to Cease Contributing to GSF and Elect a Deferred Pension

GOVERNMENT SUPERANNUATION FUND

NEW **GENERAL** Scheme

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BOOKLET **GS96**

April 2009

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

Option to Cease Contributing to GSF and Elect a Deferred Pension

1. Introduction

This booklet provides information on options for ceasing contributions and electing to take a deferred pension 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).

A person who is contributing to GSF has the option to elect to cease contributing to GSF, leaving their contributions in GSF, on the basis they will have the right to make a further election (subject to meeting certain criteria) to receive a deferred pension.

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.

2. Who qualifies?

To qualify for this option a person must:

- be a contributor under the GSF Act at the time of making the initial election, and
- have been accepted for membership of a 'qualifying scheme'.

A 'qualifying scheme' means a superannuation scheme registered under the Superannuation Schemes Act 1989 (other than GSF) that is subsidised by the employer and permits a former GSF contributor to join.

'Subsidised' can mean a contribution from the employer, or payment made by the employer towards the cost of administering the scheme. The employer must be a Department, Crown entity or Office of Parliament (as defined in the Public Finance Act 1989) or any employer who made or makes payments in respect of the contributor's membership of GSF.

3. How can an election be made?

The initial election can be made by completing **Form GS96 – Election to Cease to be a Contributor** (at the back of this booklet) and forwarding it to your payroll office.

The election becomes effective on the date the election is received by the Schemes Administrator. This is known as the effective date of the election.

4. Can an initial election be revoked?

The initial election cannot be revoked once it has been received by the Schemes Administrator. However, it can be converted into an election for a refund of contributions at any time before payment of the deferred pension has been made.

5. When do contributions to GSF stop?

The contributor ceases to be a contributor to GSF on the effective date of the election and is not entitled to recommence contributions to GSF after the effective date.

6. When does payment of the deferred pension commence?

The contributor may elect to receive payment of a deferred pension on any date after both

- reaching age 50, and
- ceasing Government service

provided the contributor has at least 10 years' superannuable service. Superannuable service can be the aggregate of GSF contributory service and contributory service in the qualifying scheme. The deferred pension will be payable 3 months after the date of the election to receive payment.

7. How is the deferred pension calculated?

The deferred pension is calculated using the Final Average Earnings times a Pension Percentage as follows:

7.1 Final Average Earnings

The Final Average Earnings are based on average of the superable salary over the last 5 years of contributory service with GSF, ie. the five years prior to the effective date of the initial election. The Final Average Earnings as at the effective date of the initial election are increased in line with the movement in the Consumer Price Index from the effective date of the election until the day payment of the deferred pension is made.

7.2 Pension Percentage

The Pension Percentage is based on the contributor's age and the length of GSF contributory service. It is calculated using the formula:

- P x 0.7

  where P is the Pension Factor times the length of GSF contributory service

7.3 Pension Factors

The Pension Factor is determined by the contributor's age at the date the retiring allowance is first to be paid. The Pension Factor is 1.5% for a contributor aged 60 and increases by 0.002% for every month or part of a month the contributor is over 60, but under 65. The Pension Factor decreases by 0.004% for every month or part of a month the contributor is under 60, down to age 55. It decreases by a further 0.002% for every month or part of a month the contributor is under the age of 55 years.

8. What if a contributor dies before receiving payment?

8.1 A contributor dies and leaves a spouse or partner

If the contributor dies and leaves a spouse or partner, the spouse or partner is entitled to the following options:

- a refund of contributions plus interest (interest is paid on all contributions made after 1 May 1985 at the rate of 0.25% for every month of membership after 1 May 1985 up to the date of death), or
- a retiring allowance of one half of the deferred pension that would have been payable to the contributor if that contributor had been entitled to an allowance at the date of death.

8.2 A contributor dies without a spouse or partner

If the contributor dies without leaving a spouse or partner, the contributor's estate is entitled to a refund of the contributions paid to GSF. Interest is paid on all contributions made after 1 May 1985 at the rate of 0.25% for every month of membership after 1 May 1985 up to the date of death.

8.3 Child allowance

No allowance is paid for dependant children.

9. What if a contributor does not have 10 years' superannuable service?

If a contributor does not have 10 years' superannuable service at the time of qualifying for payment of the deferred pension, the contributions paid to GSF will be refunded.

The refund will be increased, in respect of contributions which relate to the contributory service from 1 May 1985 up to the date the refund is paid, at a rate of 0.25% for every month of membership after 1 May 1985.

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*

ELECTION TO CEASE TO BE A CONTRIBUTOR (WITH ABILITY TO MAKE FURTHER ELECTION TO RECEIVE A DEFERRED PENSION)

GS96/1

SECTION **A**

(To be completed by the contributor and forwarded to your employer to complete Section B. When BOTH sections have been completed, please forward to the Schemes Administrator.)

ELECTION TO CEASE CONTRIBUTIONS

Please ensure you read Booklet GS96 – Option to Cease Contributing to GSF and Elect a Deferred Pension carefully. Please note that both the initial and further election are only available where a contributor meets certain criteria. If you have any queries regarding your eligibility to make the election set out in this form please contact the Schemes Administrator.

This election enables you to cease to be a contributor to GSF, leaving your contributions in GSF on the basis you will have the right to make a further election to receive a deferred pension on any date after both ceasing Government service and attaining age 50 (so long as you have at least 10 years superannuable service at the date of this further election).

I elect to cease contributions, leaving my contributions in GSF on the basis I may have the right to make a further election to receive a deferred pension subject to meeting certain requirements.

By signing this form I understand that my election is irrevocable once it is received by the Schemes Administrator and that I will not be able to recommence contributions to GSF (although I will have the option to elect to take a refund of contributions at any time before payment of the deferred pension has been made).

I authorize the collection of personal information from and disclosure of personal information to my employer and/or such other persons as may be necessary to process this election.

Please ensure you read the Privacy Act Statement at the end of this form.

First Names _____ Surname _____

GSF Number _____ Date of Birth ____ / ____ / ____

Postal Address _____

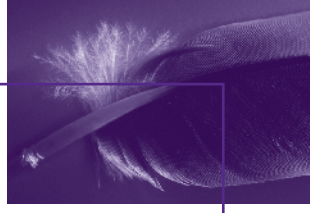
_____

Home Phone ( ) _____ Work Phone ( ) _____

Fax Number ( ) _____

Email Address _____

Signature _____ Date ____ / ____ / ____



SECTION **B**

(To be completed by the employer and forwarded to the Schemes Administrator)

The person named in Section A has elected to cease contributions to GSF, leaving their contributions in GSF, on the basis they may have the right to make a further election to receive a deferred pension. GSF requires further information from the employer in order to determine eligibility to cease contributions on this basis.

a) Does your organisation have a superannuation scheme available to employees as an alternative to GSF? (Note - this is known as the 'qualifying scheme').

Tick one: ☐ Yes ☐ No

b) Does the qualifying scheme meet the criteria as defined in the Government Superannuation Fund (Ceasing Contributions) Regulations 1995? (A 'qualifying scheme' is defined as a superannuation scheme, registered under the Superannuation Schemes Act 1989, that is subsidised for the benefit of the person by a contributing employer).

Tick one: ☐ Yes ☐ No

c) The name of the qualifying scheme is _____

d) The qualifying scheme was introduced on ____ / ____ / ____

e) I confirm the applicant has been accepted for membership of the qualifying scheme.

f) The applicant commenced / will commence contributions to the qualifying scheme on ____ / ____ / ____

Signature _____ Date ____ / ____ / ____

Name _____

Position _____

Postal Address _____

Phone Number ( ) _____ Fax Number ( ) ____ / ____ / ____

Email Address _____

Forward the completed form to the Schemes Administrator, GSF, P O 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 the Government Superannuation Fund Authority (Authority) and Datacom Employer Services Limited (Datacom) as administrator of the schemes governed by the Government Superannuation Fund Act 1956 (Act) and will be held by Datacom. It will be used to determine your entitlements with respect to the Government Superannuation Fund.

This information may be exchanged between the Authority and Datacom and may be disclosed to third parties such as Annuitas Management Limited (provider of executive office/secretariat services to the Authority) or agents of the Authority or Datacom for the purpose of the ongoing management and administration of GSF and the schemes, and to enable the Authority to fulfill its statutory obligations. If you do not provide the information requested, we may not be able to process your election as set out in this form.

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
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Wellington 6140

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