

KiwiSaver and RMO Superannuation

**This document contains important information that affects
you.
Please read it carefully.**

The KiwiSaver scheme has placed additional requirements on the DHB to have your superannuation set up correctly from your first pay.

Please make every effort to return your KiwiSaver and RMO superannuation scheme forms (where required) to the RMO Unit with your other employment forms prior to the start of your new run.

This will enable Payroll to set up your superannuation correctly and in accordance with your intentions from the first pay in your new run.

Disclaimer: *The material in this document is intended as a guide only and should not be relied upon or used as a substitute for professional advice. No liability is accepted for loss or damage incurred by employees who rely on this commentary. Professional advice should be sought in relation to any particular situation or circumstance.*

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Key Points

We strongly recommend that you seek independent financial advice before making decisions about your superannuation arrangements.

- **You automatically become a member of the government's KiwiSaver superannuation regime every time you change DHB.** This is because you are classified as a new employee every time you join a new DHB (regardless of whether you have worked at the DHB previously). Deductions will commence from your first pay - the contribution rates are 3%, 4% or 8% of your gross taxable salary - 3% is the default rate. The *KiwiSaver Employee Information Pack (KS3)* is included in your Starter Pack.
- **If you do not wish to remain in KiwiSaver, you must take action and opt out by completing the New employee opt-out request form (KS10) within 56 days of starting at the new DHB. You must opt out every time you have a change of run and start at a new DHB.** Please refer to the KiwiSaver section in this document or the *KiwiSaver Employee Information Pack (KS3)* for further details on what you need to do to opt out or stay in KiwiSaver.
- Please note that, **if you do not opt out, you will remain in KiwiSaver**, deductions will be made from your pay, and your savings will be locked in until you reach the qualifying age for New Zealand Superannuation (currently 65), or five years after joining the KiwiSaver, whichever is later. **You do not get a second chance to opt out (even when you next change DHBs/employers).**
- **Employment Agreement Superannuation Entitlement:** You are entitled to an employer/DHB superannuation contribution under your Employment Agreement (which at present is a matching employer contribution up to a maximum of 6% of your base salary).
- **KiwiSaver does not increase your entitlement to DHB/employer contributions.** Compulsory employer contributions to KiwiSaver are included in the Employment Agreement superannuation entitlement.
- **As well as considering KiwiSaver, you have the option to join a separate RMO superannuation scheme** (non KiwiSaver). There are several providers which are available to RMOs working at the three Auckland DHBs.
- If you choose to remain in KiwiSaver and/or to join a separate RMO superannuation scheme, you have some choices as to how your own superannuation contribution and the DHB employer contribution are allocated.
- **This document provides information to help you consider your options** so that you can make decisions and instruct the DHB (Payroll) to ensure your superannuation is set up in accordance with your intentions.
- **Please read it carefully, complete the required KiwiSaver and RMO superannuation scheme forms, and return to your RMO Unit prior to changeover with your other employment forms.**
- You have to do this yourself. Neither the RMO Unit nor Payroll can give you advice or make decisions on your behalf.
- **For other sources of information on KiwiSaver, refer to:**
 - The DHB KiwiSaver intranet site – access from the intranet home page
 - The IRD KiwiSaver Call Centre 0800 KIWISAVE (0800 549 472)
 - www.kiwisaver.govt.nz
 - www.ird.govt.nz
 - www.sorted.org.nz – search for KiwiSaver

KiwiSaver Superannuation Regime

KiwiSaver works on the basis of **no action = compulsory savings**.

This means that the onus is on you to decide if you are going to:

- stay in KiwiSaver when you are automatically enrolled at the start of a rotation at a new DHB
- stay out of KiwiSaver, i.e. opt out at each and every rotation to a new DHB
- join KiwiSaver at a later date, i.e. opt into KiwiSaver

Please note: If you do not opt out by day 56 of your employment, you are in KiwiSaver until you reach the age of eligibility for NZ superannuation (currently 65) or five years, whichever is the longer. There are no second chances to opt out.

Eligibility

You are legally classified as a new employee when you:

- first join a DHB in the Auckland region
- rotate between the DHBs in the Auckland region
- join another DHB outside the region

As a new employee, if you meet the following eligibility criteria, you will be automatically enrolled in KiwiSaver, ie, if you are:

- between the ages of 18 and 64, and
- a NZ citizen or entitled to stay in NZ indefinitely, and
- a permanent or fixed term (locum) employee who is employed for greater than 28 continuous days

You will **not** be enrolled if you hold a temporary, visitor or student permit.

Staying In or Opting Out of KiwiSaver

Staying in KiwiSaver This is the default position if you do nothing	Opting out of KiwiSaver You <u>must</u> take action
<p>You need to:</p> <ul style="list-style-type: none"> • Choose your contribution rate 3%, 4% or 8% • Complete the <i>KiwiSaver Deduction Form (KS2)</i> at the back of the KiwiSaver Employee Information Pack (in your RMO Starter Pack) and give this to your RMO Unit. They will pass the form on to Payroll. Keep a copy for your records. • You can also get the form from www.kiwisaver.govt.nz. <p>NOTE:</p> <ul style="list-style-type: none"> • If you do not complete a KS2 form, you will still be enrolled in KiwiSaver and deductions will start from your first pay. • If you do not nominate a contribution rate, the default rate will be 3%. • You are able to choose your own KiwiSaver Provider Scheme. If you do not choose a Scheme within three months of joining KiwiSaver, the IRD will nominate a Default Provider Scheme for you. The Provider Schemes are listed at www.kiwisaver.govt.nz. You need to approach your chosen Provider Scheme directly. <p>Remember: Once you are enrolled in KiwiSaver, you are locked in until you reach the age of eligibility for NZ superannuation (currently 65) or for 5 years, whichever is the later. That means the option to opt out at some future date is no longer available to you.</p>	<p>You need to:</p> <ul style="list-style-type: none"> • Complete the <i>New Employee Opt Out Request Form (KS10)</i> at the back of the KiwiSaver Employee Information Pack (in your RMO Starter Pack) and give this to your RMO Unit. This must be done in time for it to be processed before day 56 of your employment (ie, 8 weeks into your run). The RMO Unit will pass the form on to Payroll. Keep a copy for your records. • You can also get the form from www.kiwisaver.govt.nz. <p>NOTE:</p> <ul style="list-style-type: none"> • This must be done before day 56 from your start date as a new employee. This is a strict deadline set by IRD and you must get your form to the RMO Unit a few days before day 56 so there is time to get it to Payroll. The IRD deadline is non negotiable. You do not get a second chance to opt out. • Even if you opt out immediately, your opt out instruction can not be processed by Payroll until you have been employed for two weeks and there will be at least one deduction of 3% from your salary. • The IRD will refund all the money deducted from your salary to you. <p>Maintaining your opt out status at rotations</p> <ul style="list-style-type: none"> • To do this, you must submit a <i>New Employee Opt Out Request Form (KS10)</i> every time you move to a new DHB.

RMO Superannuation Schemes

In addition to, and completely separate from KiwiSaver, you have the option to consider joining an RMO superannuation scheme.

You are entitled to a DHB employer superannuation contribution under your Employment Agreement. At present, this is a matching employer contribution up to a maximum of 6% of your base salary.

However, remember that KiwiSaver does not increase your entitlement to DHB employer contributions. The DHB compulsory employer contribution to KiwiSaver is deducted from any employer contribution to an RMO superannuation scheme so that the total contribution is up to a maximum of 6%.

Finding Out About the RMO Superannuation Schemes

The schemes that you may join are limited to those approved by the Government Actuary and with whom the DHB has signed a Participating Employer Agreement. The schemes for which all three Auckland based DHBs have participating agreements are listed below. Contact details are on the RMO Portal on each DHB's intranet and the next page of this booklet.

- AMP NZ Retirement Trust
- Fisher Funds LifeSaver Plan
- Medical Assurance Society Plan
- The NZRDA Member Superannuation Plan

Applying for Membership

Unlike KiwiSaver, you have to apply to join an RMO Superannuation Scheme. To start the process, contact the representative for the scheme you want to join for the application material.

You will have to complete application forms and it can take several weeks for your application to be approved. You will be notified in writing by your chosen scheme.

Starting Payroll Deductions

Your nominated superannuation scheme provider will give you a membership number once your application is accepted.

Complete the ***DHB RMO Superannuation Deduction Authority Form*** (included in your changeover pack or available from your RMO Unit) and ensure that you put both the superannuation scheme name and your membership number on it. Authorisations without membership numbers cannot be processed. Send the form to your RMO Unit.

To ensure your superannuation is set up in accordance with your instructions, it is desirable if you can join your selected RMO Superannuation Scheme and get the ***DHB RMO Superannuation Deduction Authority Form*** to your RMO Unit prior to the start of your new run, so that your superannuation is set up correctly from your first pay.

If you wish your own and the DHB's contributions to start from when you commenced employment with the DHB, you must get the completed ***DHB RMO Superannuation Deduction Authority Form*** to Payroll within two months of starting with the DHB and request that contributions are backdated. If you submit your deduction authority more than two months after the start of your employment, the DHB employer contribution will commence from the pay date after Payroll has received your form. It will not be backdated to the start of your employment.

Maintaining Your Superannuation Arrangements At Rotation to a New DHB

Ask your provider if your membership number needs to change and if they require you to complete any new documentation.

You must also confirm your ongoing contribution rate to your new DHB by completing and submitting the *DHB RMO Superannuation Deduction Authority Form* (included in your changeover pack or available from your RMO Unit) at the start of each rotation at a new DHB.

As noted above, it is best if you can return this form prior to the start of your new run so that your superannuation is set up correctly from your first pay.

RMO Superannuation Scheme Provider Contact Details

NOTE

The contact details for some schemes vary depending on which DHB you are employed by.

AMP NZ Retirement Trust (Old AXA Plan)	All DHBs General enquiries AMP NZRT Customer Services 0800 800 267	
	Financial planning advice and applications	
	ADHB, CMDHB and WDHB John Tonkin Tonkin Financial Services Phone 09 308 2412 Mob 021 644 228 Email john@tonkinfinancial.co.nz Website: www.tonkinfinancial.co.nz	
Medical Assurance Society Plan	ADHB and CMDHB and WDHB Daniel Johnson Advisor Freephone 0800 800 627 Ph: 09 306 1906 Mob: 021 278 2116 daniel.johnson@medicals.co.nz	Or Andy Williams Senior Advisor Freephone 0800 800 627 Ph: 09 487 0442 Mob: 027 474 0867 Andy.williams@medicals.co.nz
Fisher Funds LifeSaver Plan – NZRDA Member Superannuation Plan & SMO Superannuation Plan All DHBs Brian Osborne Senior Consultant Employee Benefits Consulting Limited Mob: 021 963 433 brian@ebconsulting.co.nz	NZRDA Member Superannuation Plan All DHBs Deborah Powell – NZRDA Ph: 09 526 0280 secretary@nZRda.org.nz	

KiwiSaver and RMO Superannuation – What are the Options?

If you wish to take up superannuation, you have a number of options.

- Option one** **Belong to an RMO Superannuation Scheme only**
That is, opting out of KiwiSaver and joining, or remaining in, an RMO superannuation scheme
- Option two** **Belong to KiwiSaver only**
That is, staying in KiwiSaver and not joining/belonging to an RMO Superannuation Scheme
- Option three** **Belong to KiwiSaver and belong to an RMO Superannuation Scheme**
That is, staying in KiwiSaver and remaining in or joining an RMO Superannuation Scheme

Each of the options has implications for your own and the DHB employer contributions.

Option One: Belong to an RMO Superannuation Scheme only

	Your Contribution	DHB Contribution
RMO Super	You choose your % contribution rate	DHB matches your contribution up to a maximum of 6% of your base salary
KiwiSaver	0%	0%
Maintaining these arrangements at rotation to a new DHB		
Action:		
<ul style="list-style-type: none"> ○ Complete the <i>New Employee Opt Out Request Form (KS10)</i> to stay out of KiwiSaver AND ○ Complete the <i>DHB RMO Superannuation Deduction Authority Form</i> to ensure you remain in your RMO Superannuation Scheme. 		

Option Two: Belong to KiwiSaver only

	Your Contribution	DHB Contribution
RMO Super	0%	0%
KiwiSaver	3%	The compulsory employer contribution to KiwiSaver (3% of your gross salary from 1 April 2013).
KiwiSaver	4%	The compulsory employer contribution to KiwiSaver (3% of your gross salary from April 2013). This is the default option. OR 4% of your gross salary <u>at your request</u> (refer points 2, 3 and 4 below)
KiwiSaver	8%	The compulsory employer contribution to KiwiSaver (3% of your gross salary from April 2013). This is the default option. OR 6% of your base salary <u>at your request</u> (refer points 2, 3 and 4 below)
Notes:		
<ol style="list-style-type: none"> 1. Staying in KiwiSaver is the default position if you do nothing at rotation. There are no second chances to opt out. 2. Under this option, if you wish, you can elect to have the DHB employer contribution that you are entitled to under your Employment Agreement paid to KiwiSaver at 4% of your gross salary or 6% of your base salary (this includes the compulsory employer contribution to KiwiSaver). To do this, follow the Actions below. 3. There may be a requirement to do a “wash-up” of any discrepancies for employer contributions for employees contributing 8%. 4. Apart from the required compulsory employer contribution to KiwiSaver, the DHB will not start other DHB employer contributions until we receive instructions from you as to your 		

intentions re KiwiSaver and RMO superannuation schemes.

5. If you remain in KiwiSaver and subsequently join an RMO Superannuation Scheme, the DHB compulsory employer contribution to KiwiSaver will continue and the balance of your DHB employer subsidy entitlement under the Employment Agreement will be paid to your RMO Superannuation Scheme. If you are within the two month period of commencing your employment with the DHB and you request to have contributions backdated to your RMO Superannuation Scheme (refer RMO Superannuation Scheme on page 5), the amount the DHB has already paid to KiwiSaver will be deducted from the DHB's backdated contribution to your RMO Superannuation Scheme.

Action:

- For joining or remaining in the KiwiSaver scheme, follow the instructions on page 4
- To take up the option to have the DHB employer subsidy paid to KiwiSaver at 4% or 6% of your base salary, complete the Instructions to Payroll Form (Form 3) and return it with your completed KiwiSaver Deduction Form (KS2) to your RMO Unit.

Maintaining these arrangements at rotation to a new DHB

Action:

- Complete the **KiwiSaver Deduction Form (KS2)** to confirm your contribution rate **AND**
- Complete the **Instructions to Payroll Form (Form 3)** to ensure the DHB subsidy continues to be paid to KiwiSaver.

Option Three: Belong to KiwiSaver and belong to an RMO Superannuation Scheme

	RMO employed at 30 June 2008	New RMO employees or employees changing DHB after 1 July 2008
		The DHB must pay a minimum of the compulsory employer contribution to KiwiSaver i.e. 3% of the gross salary from 1 April 2013.
1	<p>Belong to KiwiSaver and an RMO super scheme</p> <ul style="list-style-type: none"> • RMO makes employee contribution to both KiwiSaver and an RMO super scheme. • DHB subsidy paid to RMO super scheme only to maximum as per employment agreement. • No DHB subsidy to KiwiSaver (This is because the DHB subsidy being paid to the RMO super scheme includes the compulsory employer contribution of 3%) 	<p>Belong to both KiwiSaver and a RMO superannuation</p> <ul style="list-style-type: none"> • RMO makes employee contributions to both KiwiSaver and RMO superannuation scheme. • DHB subsidy paid to the RMO super scheme less the compulsory employer contribution paid to KiwiSaver.
2	<p>RMO splits their employee contribution between KiwiSaver and RMO super scheme</p> <ul style="list-style-type: none"> • RMO must pay 3%, 4% or 8% to KiwiSaver and at least 1% to RMO super scheme • DHB subsidy based on the RMO's combined contribution to KiwiSaver and the RMO super scheme • DHB subsidy paid to RMO super scheme only to maximum as per employment agreement. 	<p>RMO splits their employee contribution between KiwiSaver and the RMO super scheme</p> <ul style="list-style-type: none"> • RMO must pay 3%, 4% or 8% to KiwiSaver and at least 1% to the RMO super scheme • DHB subsidy based on the RMO's combined contribution to RMO super and KiwiSaver, as per the employment agreement • DHB subsidy paid to the RMO super scheme less the compulsory employer contribution paid to KiwiSaver

Notes:

1. You will need to contribute to both KiwiSaver and your RMO super scheme.
2. You can request a reduction in your own contribution to your existing RMO scheme if your scheme permits this. It is your responsibility to check for any implications for your existing scheme membership and ensure you are meeting any minimum contribution level required by your existing scheme.
3. **PLEASE NOTE:** If Payroll has not received a **DHB RMO Superannuation Deduction Authority Form** from you by the time of the first pay in your new run, the DHB is required to commence paying compulsory employer contributions to KiwiSaver.

When Payroll receives your **Superannuation Deduction Authority Form**, the DHB employer subsidy will be paid to your RMO super scheme **less** the compulsory employer contribution being paid to KiwiSaver, as per your Employment Agreement entitlement.

If you are within the two month period of commencing your employment with the DHB and you request to have contributions backdated to your RMO super scheme (refer RMO Superannuation Scheme on page 5), the amount the DHB has already paid to KiwiSaver will be deducted from the DHB's backdated contribution to your RMO superannuation scheme.

Action

- If you wish to reduce your current employee contribution to your existing scheme, you need to complete the **Request To Split Employee Superannuation Contributions Form (Form 1a)** and return it with your **KiwiSaver Deduction Form (KS2)** to your RMO Unit.

Maintaining these arrangements at rotation to a new DHB

Action:

- Complete the **KiwiSaver Deduction Form (KS2)** to confirm your contribution rate **AND**
- Complete the **DHB RMO Superannuation Deduction Authority Form** to ensure you remain in your RMO scheme.

Superannuation Checklist

Use this checklist to confirm that you are completing the forms that will enable the DHB to set up your superannuation arrangements in line with your intentions. **Remember, you are strongly advised to seek independent financial advice as to the most appropriate approach to superannuation for you.**

Send your KiwiSaver and RMO Superannuation Forms to your RMO Unit. Please make every effort to return these forms prior to changeover with your other employment forms, so that your superannuation can be set up correctly from your first pay. The RMO Unit will send the forms on to your Payroll. You must complete the relevant forms every time you start employment with or rotate to a new DHB.

What you want to do:	How to achieve it:	✓
Staying in KiwiSaver when you have been compulsorily enrolled (refer page 4)	Complete the <i>KiwiSaver Deduction Form (KS2)</i> Complete this form every time you start employment with or rotate to a new DHB. Ensure you specify your deduction rate. If you do nothing, you will still remain in KiwiSaver and the default deduction will be set up at 3%	
Opting into and staying in KiwiSaver (refer page 4)	Complete the <i>KiwiSaver Deduction Form (KS2)</i> Complete this form every time you start employment with or rotate to a new DHB.	
Opting out and staying out of KiwiSaver (refer page 4)	Complete the <i>New Employee Opt Out Request Form (KS10)</i> This must be received by Payroll within 56 days of the start of your new employment Complete this form every time you start employment with or rotate to a new DHB	
Changing your deduction rate for KiwiSaver	Complete the <i>KiwiSaver Deduction Form (KS2)</i>	
Reduce your own contribution to KiwiSaver from 4% or 8% to 3%	Complete the <i>Request to Change Employee Contribution Rate Form (Form 7)</i>	
Electing to have the DHB employer Employment Agreement subsidy paid to KiwiSaver at 4% of your gross salary or 6% of your base salary (option two – refer page 7)	This is only available if you belong to KiwiSaver <u>only</u> , ie, do not belong to an RMO Superannuation Scheme. Complete the <i>DHB Instructions to Payroll Form (Form 3)</i> Complete this form every time you start employment with or rotate to a new DHB.	
Joining an RMO Superannuation scheme (refer page 5)	Contact the advisor for your preferred provider When your application is approved, complete the <i>DHB RMO Superannuation Deduction Authority Form</i> to commence deductions	
Staying in an RMO Superannuation Scheme at rotation time (refer page 5)	Check with your provider as to whether your membership number will change Complete the <i>DHB RMO Superannuation Deduction Authority Form</i> to confirm your contribution Complete this form every time you start employment with or rotate to a new DHB	
Opting out and staying out of KiwiSaver <u>and</u> remaining in an RMO Superannuation Scheme at rotation (option one – refer page 7)	Complete the <i>New Employee Opt Out Request Form (KS10)</i> This must be received by Payroll within 56 days of the start of your new employment Check with your RMO scheme provider as to whether your membership number will change Complete the <i>DHB RMO Superannuation Deduction Authority Form</i> to confirm your contribution to your RMO Superannuation Scheme. Complete these forms every time you start employment with or rotate to a new DHB	
Remaining in KiwiSaver <u>and</u> remaining in an RMO Superannuation Scheme at rotation. (option three – refer page 8)	Complete the <i>KiwiSaver Deduction Form (KS2)</i> to confirm your contribution rate to KiwiSaver Check with your RMO scheme provider as to whether your membership number will change Complete the <i>DHB RMO Superannuation Deduction Authority Form</i> to confirm your contribution to your RMO Superannuation Scheme. Complete these forms every time you start employment with or rotate to a new DHB	
Splitting your own employee contributions between KiwiSaver and an RMO Super Scheme (option three – refer page 8)	This is relevant only if you are already a member of an RMO Superannuation Scheme when you join KiwiSaver Complete the <i>Request To Split Employee Superannuation Contributions (Form 1a)</i> Complete this form every time you start employment with or rotate to a new DHB	

Summary of KiwiSaver and RMO Superannuation Forms

Send your KiwiSaver and RMO Superannuation Forms to your RMO Unit.

Please make every effort to return these forms prior to changeover with your other employment forms, so that your superannuation can be set up correctly from your first pay.

The RMO Unit will send the forms on to your Payroll.

You must complete the relevant forms every time you start employment with or rotate to a new DHB.

KS2 KiwiSaver Deduction Form	<ul style="list-style-type: none"> Complete this form to stay in or to join Kiwi Saver
KS10 New Employee Opt-Out Request Form	<ul style="list-style-type: none"> Complete this form to opt out of KiwiSaver when you have been automatically enrolled, eg, when rotating to a new DHB. Remember that you need to allow time for the form to arrive at Payroll before the 56th day of your employment with a new DHB (ie within 8 weeks)
DHB RMO Superannuation Deduction Authority Form	<ul style="list-style-type: none"> Complete this form to start deductions for your RMO superannuation scheme (non KiwiSaver). You can only do this after you have received confirmation of your membership and your membership number from your superannuation provider.
Form 1a Request to Split Employee Superannuation Contributions (RMOs only) Form	<ul style="list-style-type: none"> This is relevant only to RMOs who are already members of an RMO Superannuation Scheme when they join KiwiSaver Complete this form if you want to split your employee contributions between your existing RMO Superannuation Scheme and KiwiSaver
Form 3 Instructions to Payroll re KiwiSaver and DHB Employer Contribution Form	<ul style="list-style-type: none"> Only for RMOs who belong to KiwiSaver <u>only</u>, ie, do not belong to an RMO Superannuation Scheme. Complete this form if you want to instruct the DHB to pay the Employment Agreement employer subsidy at 4% of your gross salary or 6% of your base salary to KiwiSaver