

DEFERRED MEMBERSHIP

FACT SHEET

Introduction

If you leave Fire and Emergency New Zealand (FENZ) as a result of resignation (including retrenchment), retirement, dismissal or loss of physical or mental fitness, you may elect to delay payment of your benefit and continue your membership as a deferred member of the Scheme.

You have one month from the date you leave FENZ to elect to become a deferred member.

Advantages of deferred membership include:

- Funds invested by leading investment managers.
- Investment charges at wholesale rather than retail rates.
- Lower administration charges compared with many retail Schemes.
- Accurate and timely monitoring of the Scheme's investments.
- Option to supplement other retirement income by making regular monthly withdrawals.
- Flexibility to make withdrawals at fairly short notice and still invest in higher performing longer-term assets such as equities.
- 24/7 access to the Scheme's secure web site to view your account information, update your details and make changes to your superannuation (for example, change investment options or update your address).

How do I become a deferred member?

When you leave the Scheme you need to complete form FS9 'Cessation Advice'.

If you wish to become a deferred member, tick the 'Continued membership' box in Part 1 of the form.

If you intend to leave the full amount of your benefit in the Scheme there is nothing further to complete. Return your completed Cessation Advice form to NHQ Payroll.

If you wish to withdraw a portion of your benefit at this time, you also need to complete form FS6 'Deferred Member Withdrawal Request' and return it to the Scheme's administration manager at the address on the bottom of the form.

Copies of both forms are available from the Scheme website (www.firesuper.org.nz), by calling the Scheme helpline or emailing Mercer, the Scheme's administration manager (contact details below).

What happens next?

FENZ Payroll will process your FS9 'Cessation Advice' form and forward it to the Scheme's administration manager. Your membership benefit class will then be transferred to deferred.

Deferred members' accounts are allocated the same net investment returns as active members invested in the same investment option.

Are there any additional costs?

Administration costs and tax are deducted before the net investment return for each investment option is declared.

There is no additional charge to deferred members for investing in the Scheme or remaining a member. However, there is a partial withdrawal fee of \$75.31 for the fifth and any subsequent withdrawal of funds in a Scheme year. (No fee applies to regular withdrawals.)

Is there anything else I need to consider?

The following rules apply to deferred members' accounts:

- After making a withdrawal you must maintain a minimum balance of \$5,000 in your deferred member's account. If your account balance falls below \$5,000, you will be paid the full amount and your membership of the Scheme will cease.
- Four withdrawals of funds per Scheme year are free.
- The fifth and subsequent withdrawal in a Scheme year attracts a charge (currently \$75.31 per withdrawal). This fee does not apply if you are making regular monthly withdrawals.
- Once you have a deferred member's account, neither you nor your employer can contribute to the Scheme (unless and until you re-enter service with FENZ and re-joining the Scheme).
- Interest (which may be positive, nil or negative) is applied to your deferred member's account at the same rate as that applied to all other members' accounts.

For further information about deferred membership:

Write to:

The Administration Manager
New Zealand Fire Service Superannuation Scheme
c/-Mercer (N.Z.) Limited
PO Box 1849
Wellington 6140

Call: 0800 MY SUPER (0800 69 78737)

Email: nzfire.super@mercero.com

Visit: www.firesuper.org.nz

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