

# VOLUNTARY CONTRIBUTIONS TO THE SCHEME

## New Zealand Fire Service Superannuation Scheme

July 2014

### *Introduction*

The Trust Deed of your scheme permits active members to make voluntary contributions to the scheme subject to the approval of the Trustees. Active members must contribute voluntary contributions through the New Zealand Fire Service payroll system.

Voluntary contributions do not attract an employer subsidy from the New Zealand Fire Service.

### *How to make voluntary contributions*

Members wishing to make voluntary contributions on a regular basis must first contact the Trustees seeking approval to make voluntary contributions.

The necessary arrangements will then be made on behalf of the member to commence the voluntary contributions.

The maximum amount of voluntary contributions is set by regulation at 10% of a member's superable salary. Members can contribute less than this amount or they can cease for a period as decided by the member and recommence at a later date.

In all cases where a member wishes to change the arrangements related to their voluntary contributions they must seek the approval of the Trustees to do this. Again they should contact the Trustees.

### *Access to voluntary contributions*

Voluntary contributions made to the scheme by active members - those employed by the New Zealand Fire Service and making regular contributions through the Fire Service payroll - are not available for withdrawal by members until they are no longer employed by the New Zealand Fire Service.

### *What are the investment returns?*

Voluntary contributions receive the same gross and net investment returns as all other funds held in the scheme. There is only one annual net rate of return declared by the Trustees for the scheme each year.

### *Are there any costs?*

The administration costs and tax payable by the scheme for each financial year to 31 March are deducted from the scheme's gross investment returns. These costs apply to all funds within the scheme.

Following that calculation the net rate of return is applied to all accounts, irrespective of their status, held within the scheme by all members.

The scheme makes no extra charge for investing voluntary contributions on behalf of members.

### *How to contact the Trustees*

Members wishing to commence voluntary contributions, adjust their present voluntary contribution rate or who require further information should use the following contacts:

**The Secretary to the Trustees**  
**PO Box 2897**  
**Wellington 6140**

**Telephone: (04) 819 2600 or**  
**0800 MY SUPER (0800 69 78737)**  
**Email [nzfire.super@mercero.com](mailto:nzfire.super@mercero.com)**

### *Why make voluntary contributions to the scheme?*

Voluntary contributions made to the scheme could mean that your total retirement savings increase at a faster rate and allow you a more comfortable retirement.

### *Require further information?*

For more information please refer to the scheme's current Investment Statement.

### *Effect of compound interest*

The following table shows the effect of the compounded value of voluntary contributions contributed to the scheme using various net interest rates, along with a range of fortnightly payment levels and years invested.

To use the table, choose a net rate of return and a voluntary contribution rate and simply apply those figures to the various time frames set out.

	<b>1 year</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>25 years</b>
<b>3% pa net return</b>					
\$10/fortnight	\$264	\$1,404	\$3,032	\$4,919	\$9,642
\$25/fortnight	\$661	\$3,510	\$7,579	\$12,296	\$24,105
\$50/fortnight	\$1,322	\$7,020	\$15,158	\$24,593	\$48,209
<b>5% pa net return</b>					
\$10/fortnight	\$267	\$1,475	\$3,357	\$5,760	\$12,740
\$25/fortnight	\$667	\$3,687	\$8,349	\$14,400	\$31,849
\$50/fortnight	\$1,335	\$7,375	\$16,787	\$28,800	\$63,699
<b>7% pa net return</b>					
\$10/fortnight	\$269	\$1,549	\$3,722	\$6,769	\$17,038
\$25/fortnight	\$673	\$3,873	\$9,305	\$16,924	\$42,596
\$50/fortnight	\$1,347	\$7,746	\$18,610	\$33,847	\$85,192

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