

NZSOS BRIEF GUIDE AND RULES FOR MEMBERS

With the transfer of the NZSOS stand alone fund to the Tower Lifesaver Fund, we are passing on the following advice and reminders from former Tower NZSOS Fund Chairman, Gerry Breen.

Members should be aware of the new need for vigilance to supervise their own retirement plan. Gerry Breen has been trying to set up a new organisation equivalent to that which the UK Nautilus has done, namely a watchdog and liaison entity. Gerry had been promoting this concept since 2007, but so far only two companies have supported their employees with the representation and more are needed. The offshore companies did not support the move.

Meanwhile, this is a memo to members to increase their vigilance on the accuracy of their accounts for a number of reasons such as:

- Mistakes will be made by Employer, Banks, Tower, and TEL the Trustee.
- Staff are not always trained well
- Nobody should know the rules better than the member
- Members should document the progress separately to that shown on the computer as a backup.
- Members should question Tower about mistakes and also advise Gerry Gerry@xtra.co.nz, because they say they don't make mistakes

THESE ARE JUST SOME OF THE POINTS GERRY WANTS TO ALERT MEMBERS TO.

Additionally adhering to the following points on page 2 should ensure accuracy for Members.

Your contributions, both member and employer subsidy are based on "TOTAL TAXABLE INCOME". If it's taxed it's subsidised. Some employers did not fulfil this condition until caught.

Members must now place a new priority on their Tower NZSOS Lifesaver Fund because NZSOS has been changed back to an "**Employer Driven**" fund by the new structure put in place by Tower, and which will require members to adopt a new vigilance on their personal accounts.

This new vigilance applies to all members who are in NZSOS/TLS. They are the ones with the use of the internet and have the tools and access to observe, record and check, IN DETAIL, their membership details and the following points very carefully:-

- 1) The accuracy of the value of the percentage of personal member contributions which employer's deduct from member's wages
- 2) The accuracy of contributing employers' subsidised contributions which should be the appropriate percentage level of all funds in your salary that have been subjected to tax. "If it's taxed, it's subsidised". That is, and has been the agreed rule for 20

years.

- 3) The accuracy of the date of deduction of contributions from a member's salary **compared to** the date of payment to TOWER from the contributing Employer. Should be 3 days or less.
- 4) The length of the period between receipt of contributions from the contributing employer to Tower/Jacques Martin (Tower's fund administrator) and Trustees Executors Ltd, to the date the contributions are credited to the member's account. I have noticed a gap of as much as 67 or 51 days and more recently 41 days which is unacceptable. It should be 3 days or less.
- 5) The accuracy of values held in each investment fund.
- 6) The time taken between switching from one fund to another as the case may be.
- 7) The accuracy of the value of funds being switched.
- 8) The charges (if any) that may be made against your fund by TOWER.
- 9) Members should contact TOWER or their Employer quickly, to resolve any issues promptly and should notify Guild or AMEA or myself. gerry@xtra.co.nz
- 10) Members should keep records of all correspondence with Tower or JM, and should maintain detailed and accurate comments. You may have to refer to them later, like in thirty years or so. Absent Seafarers create an opportunity to some, as it did in the UK, but the internet helps members to overcome when used correctly.

My own early records were lost by the UK Officers Fund.

Undertaking these checks is a great help to TOWER / Guild /AMEA/ Employer when audits come along. It is also a great help to Members to understand the mechanics and accuracy of their retirement funds.

G.Breen, ex Chairman NZSOS gerry@xtra.co.nz June 2010