

NEWSLETTER NO. 45: JULY 1999

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1. *Statistics for Registered Superannuation Schemes*

The database we maintain on registered superannuation schemes can be a useful resource for people interested in superannuation trends in New Zealand. As most of you will be aware, as well as providing statistical appendices to the annual report to the Minister, the database is also used to provide a half yearly statistical update in the end of year newsletter.

The client survey run last year indicated interest within the market for more regular updates of statistical information, and accordingly we have included some statistics that may be of interest. Tables attached to this Newsletter provide an update to some of the statistics included in my last Newsletter, and in respect of the work processed by the Insurance and Superannuation Unit staff, the table below sets out the Unit's major functions and the number of documents received and reviewed.

Period	Trustee Reports	Trust Deed Amendments	Actuarial Valuations	New Schemes	Income Tax Act 1994 GD8	Completed Wind ups
Year to 30/6/98	1342	399	107	18	107	125
Year to 30/6/99	1238	316	100	13	116	156

I would appreciate receiving feedback as to the regularity and content of statistical information that you would like to receive about registered superannuation schemes.

2. *Government Actuary Annual Report*

As you will be aware I prepare an annual report to the Minister at 30 June each year on the principal matters transacted under or pursuant to the Superannuation Schemes Act 1989. The next report is that as at 30 June 1999 and must be prepared no later than three months after that date. I would be interested in receiving comments on your perception of previous years content and the general usefulness of the document. For example, are the contents of Appendix 1 something which people find useful? And if you have any thoughts or ideas as to additional content I would be very interested in hearing from you.

3. *Section 9B*

In recent times we have seen a large number of notifications under section 9B, most of which we are pleased to say have been written in a balanced manner, and which provide members considering the option of transferring to a new superannuation arrangement with full and balanced information. It may be helpful however to record market best practice in this area. There is usually a letter to members from the Trustees advising members of the offer in brief; together with a listing of the various documents contained in the transfer offer pack, a schedule of the time frames within which members have to respond, the dates of any meetings to be held, and details of where and from whom members can obtain further information. Members are also provided with a comprehensive Comparison of Benefits schedule which sets out the present and proposed scheme designs in detail, and highlights any differences.

An area where some documentation has fallen down, and the Government Actuary has consequently required further information be supplied to members, is where the scheme arrangements are changing from defined benefit to defined contribution. In these cases members need to have the issues of surplus distribution, its future use and ownership clearly explained. The effective transfer of the investment return risk to members also needs to be covered. Members should be told of the actuarial bases being applied to calculate their transfer entitlement, and whether these are different in any respect from the assumptions in the most recent triennial actuarial report; if there is a difference, the effect of the change should be explained. The manner in which the transfer entitlement is to be dealt with in the new scheme also needs to be spelt out.

4. *Addressing Correspondence*

The Ministry of Commerce is a large and diversified organisation. Unfortunately we continue to receive mail addressed to old box numbers and on occasion to the Ministry of Commerce, with no reference to either the Government Actuary or the staff member who may have written to your organisation. We even receive letters from the same company sent by different staff, where each address their letter to different box numbers. We would appreciate your assistance to ensure that letters are addressed to the address on the letterhead of this Newsletter and, where possible, identified as being for the attention of either the Government Actuary or the staff member who initiated the correspondence.

5. *Newsletter Address Listing*

Currently we send out around 400 Newsletters. Not all of these may be wanted, and if you wish to be taken off the mailing list, it would be appreciated if you could send us a facsimile at (04) 495 1254.