

Reference: 20210251

2 July 2021

Dear [REDACTED]

Thank you for your Official Information Act request, received on 3 June 2021. You requested:

*The 2021 Budget included an item to implement the following petition from the Government Superannuitants Association presented on 3 July 2018.*

*"That the House of Representatives pass legislation amending the Government Superannuation Fund Act 1956 to ensure all Government Superannuation Fund and National Provident Fund annuitants are treated consistently with regard to the annual cost of living adjustments being based on 100% indexation of the Consumers Price Index, as was the objective of the Government Superannuation Fund Amendment Bill 2008."*

*The Finance and Expenditure Committee considered this petition in May 2019 and recommended:*

*"We find that the indexation formula included in the Government Superannuation Fund Amendment Act 2009, intended to achieve 100 percent indexation against the Consumers Price Index, appears to be a different formula to that used in previous iterations. We recommend to the Government that it take note of this finding and consider options for addressing the resultant lesser payments received by contributors and beneficiaries of the fund."*

*Consequently a bid was made to implement this recommendation in the 2021 Budget.*

*Could you please provide a copy of your responses to the Minister of Finance in relation to this bid?*

## Information being released

Please find enclosed the following documents:

Item	Date	Document Description	Decision
1.	25 February 2021	Aide Memoire: Meeting with Government Superannuitants Association	Release in part

2.	1 March 2021	Email communication on GSA COLA options	Release in part
----	--------------	---	-----------------

I have decided to release the relevant parts of the documents listed above, subject to information being withheld under one or more of the following sections of the Official Information Act, as applicable:

- names and contact details of officials, under section 9(2)(g)(ii) – to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment,
- advice still under consideration, section 9(2)(f)(iv) – to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials,
- direct dial phone numbers of officials, under section 9(2)(k) – to prevent the disclosure of information for improper gain or improper advantage. We have redacted the direct dial phone numbers of officials under section 9(2)(k) in order to reduce the possibility of staff being exposed to phishing and other scams. This is because information released under the OIA may end up in the public domain, for example, on websites including Treasury’s own website.

### Information publicly available

The information listed in the table below is also covered by the request and will soon be available on the Budget website.

Item	Date	Document Description	Website Address
3.	4 February 2021	Treasury Report T2021/183: Request for Invitation for Late Budget 2021 Initiatives – Finance Portfolio	<a href="https://budget.govt.nz/">https://budget.govt.nz/</a>

Accordingly, I have refused your request for the documents listed in the above table under section 18(d) of the Official Information Act:

- the information requested is or will soon be publicly available.

### Information to be withheld

There are additional documents covered by the request that we propose to withhold in full, under the following section of the Official Information Act, as applicable:

- advice still under consideration, section 9(2)(f)(iv) – to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials.

Item	Date	Document Description	Proposed Action
4.	09 March 2021	Budget 2021 initiative summary: Cost of living adjustment for pre-1985 retirees	Withhold in full
5.	10 March 2021	Email communication COLA number for the budget	Withhold in full
6.	11 March 2021	Budget 2021 initiative assessment: Cost of living adjustment for pre-1985 retirees	Withhold in full
7.	30 March 2021	Email communication GSF/Treasury on GSF COLA Bid	Withhold in full

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Joseph Sant  
**Manager, Financial Institutions**

# OIA 20210251

## Table of Contents

---

1.	<a href="#"><u>Aide Memoire T2021 385 - Meeting with Government Superannuitants Association</u></a>	1
2.	<a href="#"><u>Email communication on GSA COLA options</u></a>	4



Reference: T2021/385

CM-1-3-22-11

Date: 25 February 2021

To: Minister of Finance (Hon Grant Robertson)

Deadline: 1 March 2021

## **Aide Memoire: Meeting with Government Superannuitants Association**

### **Purpose:**

On 1 March, you are meeting with the Government Superannuitants Association (GSA), represented by:

- Tony Hamilton (President)
- Karen Knobloch (Executive Officer)
- GSA Board member (to be determined)

The purpose of this meeting is to discuss the GSA Cost of Living Adjustment issue and its inclusion in the Budget 21 process.

The GSA advocates on behalf of members of the Government Superannuation Fund (GSF) schemes and the National Provident Fund (NPF). They aim to safeguard the existing provisions of the schemes and remove what they consider to be scheme deficiencies and anomalies.

### **Background**

The GSA submitted a petition to Parliament in July 2018, essentially requesting a backdating of the Cost of Living Adjustment (COLA) increase that was introduced in 2009.

In 2009, the COLA adjustment was raised from 90% to 100% of CPI (following changes made in 2006, 1985, 1976 and 1969). The 2008 Cabinet paper introducing the change included two potential methods of increasing COLA from 90% to 100%.

- Scenario A - increasing COLA to 100% from the date of the legislative change (i.e. no backdating), and

- Scenario B - increasing COLA to 100% from the annuitant's date of retirement (i.e. backdating the calculation, as per earlier legislative changes).

The Cabinet paper was clear that the intention of the 2008 legislative change was to implement the changes based on Scenario A and not to repeat the (backdated) approach taken in previous COLA changes.

In considering the GSA's petition, the Finance and Expenditure Committee found that "the indexation formula...appears to be a different formula to that used in previous iterations" and recommended to the Government that it "take note of this finding and consider options for addressing the resultant lesser payments received by contributors and beneficiaries of the fund".

s9(2)(f)(iv)

RELEASED UNDER OFFICIAL INFORMATION ACT

s9(2)(f)(iv)



Ben Roberts, Analyst, Financial Institutions, s9(2)(k)  
Joseph Sant, Manager, Financial Institutions, s9(2)(k)

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT

**From:** Paul Young <[Paul.Young@parliament.govt.nz](mailto:Paul.Young@parliament.govt.nz)>  
**Sent:** Wednesday, 31 March 2021 2:03 pm  
**To:** Ben Roberts [TSY] <[Ben.Roberts@treasury.govt.nz](mailto:Ben.Roberts@treasury.govt.nz)>  
**Cc:** Joseph Sant [TSY] <[Joseph.Sant@treasury.govt.nz](mailto:Joseph.Sant@treasury.govt.nz)>  
**Subject:** RE: GSA COLA options

Thanks Ben

I will have a chat with Talei about this.

Ngā mihi

Paul

**From:** Ben Roberts [TSY] [<mailto:Ben.Roberts@treasury.govt.nz>]  
**Sent:** Wednesday, 31 March 2021 1:39 PM  
**To:** Paul Young <[Paul.Young@parliament.govt.nz](mailto:Paul.Young@parliament.govt.nz)>  
**Cc:** Joseph Sant [TSY] <[Joseph.Sant@treasury.govt.nz](mailto:Joseph.Sant@treasury.govt.nz)>  
**Subject:** RE: GSA COLA options

Hi Paul,

GSA have now provided an update on the questions below:

- the number of pre 1985 retirees still alive in the scheme. = 1790 former contributors
- The average age of the pre 1985 retirees. = 85.6 years old
- the number of surviving spouses of pre-1985 retirees. = 2450 spouses
- The average age of the surviving spouses of pre 1985 retirees. = 88 years old
- The total amount paid to pre 1985 retirees in the most recent year. = \$27.1 million
- The total amount paid to surviving spouses of pre 1985 retirees in the most recent year. = \$23.2 million

TOTAL	No	Total Annual Pension 2020/21	Total Annual Pension 2021	Average annual pension 2020/21	Average annual pension 2021/22	Average Age
Former contributors	1790	\$27,115,154	\$27,505,612	\$15,148	\$15,366	85.6
Spouses	2450	\$23,169,513	\$23,503,154	\$9,457	\$9,593	88.0
	4240	\$50,284,667	\$51,008,766	\$11,860	\$12,030	86.9

s9(2)(f)(iv)

It would be useful to get some direction from you on how to proceed here / how best to incorporate the revised figures into the budget process?

Cheers,  
Ben

**From:** Paul Young <[Paul.Young@parliament.govt.nz](mailto:Paul.Young@parliament.govt.nz)>  
**Sent:** Thursday, 11 March 2021 1:34 PM  
**To:** Ben Roberts [TSY] <[Ben.Roberts@treasury.govt.nz](mailto:Ben.Roberts@treasury.govt.nz)>



**Cc:** Joseph Sant [TSY] <[Joseph.Sant@treasury.govt.nz](mailto:Joseph.Sant@treasury.govt.nz)>  
**Subject:** RE: GSA COLA options

Thanks Ben.

Can I please ask you to get them to provide some numbers to support the logic because I am struggling a bit to feel comfortable with telling the MoF that the numbers are safe. I hope this won't be too arduous. Can I please get:

- the number of pre 1985 retirees still alive in the scheme.
- The average age of the pre 1985 retirees.
- the number of surviving spouses of pre-1985 retirees.
- The average age of the surviving spouses of pre 1985 retirees.
- The total amount paid to pre 1985 retirees in the most recent year.
- The total amount paid to surviving spouses of pre 1985 retirees in the most recent year.

Can we also get the actuarial assumptions around age of death being applied and an example of the how much impact the COLA adjustment has – could just be an example of one person. I understand that currently the pre 1985 retirees will be getting about 92% of the COLA applied so this would be an increase of about 8% of the COLA.

Ngā mihi

Paul

**Paul Young**

**Revenue and Finance Advisor**

Office of the Hon Grant Robertson | Minister of Finance, Minister for Infrastructure, Minister for Sport and Recreation, Minister for Racing

7.6 Executive Wing, Parliament Buildings, PO Box 18041, Wellington

Phone: s9(2)(k)

| Mobile: s9(2)(g)(ii)

Email: [Paul.Young@parliament.govt.nz](mailto:Paul.Young@parliament.govt.nz)

**From:** Ben Roberts [TSY] [<mailto:Ben.Roberts@treasury.govt.nz>]

**Sent:** Thursday, 11 March 2021 1:08 PM

**To:** Paul Young <[Paul.Young@parliament.govt.nz](mailto:Paul.Young@parliament.govt.nz)>

**Cc:** Joseph Sant [TSY] <[Joseph.Sant@treasury.govt.nz](mailto:Joseph.Sant@treasury.govt.nz)>

**Subject:** RE: GSA COLA options

Hi Paul,

Just following up on conversation from earlier, I can confirm the following after talking with GSFA:

s9(2)(f)(iv)

Regards,  
Ben

**From:** Paul Young <[Paul.Young@parliament.govt.nz](mailto:Paul.Young@parliament.govt.nz)>  
**Sent:** Wednesday, 10 March 2021 2:35 PM  
**To:** Ben Roberts [TSY] <[Ben.Roberts@treasury.govt.nz](mailto:Ben.Roberts@treasury.govt.nz)>  
**Cc:** Joseph Sant [TSY] <[Joseph.Sant@treasury.govt.nz](mailto:Joseph.Sant@treasury.govt.nz)>  
**Subject:** RE: GSA COLA options

Hi Ben

I'm working on it but haven't managed to actually talk with Tony yet – the GSA office hours are quite limited. I'll get back to you on this as soon as I can.

Thanks

Paul

**From:** Ben Roberts [TSY] [<mailto:Ben.Roberts@treasury.govt.nz>]  
**Sent:** Monday, 8 March 2021 2:47 PM  
**To:** Paul Young <[Paul.Young@parliament.govt.nz](mailto:Paul.Young@parliament.govt.nz)>  
**Cc:** Joseph Sant [TSY] <[Joseph.Sant@treasury.govt.nz](mailto:Joseph.Sant@treasury.govt.nz)>  
**Subject:** RE: GSA COLA options

Hi Paul,

s9(2)(f)(iv)

Did you get anything back from the GSA on what they were exactly after?

It would be great to get a response back on this as soon as possible.

Thanks,  
Ben

**From:** Ben Roberts [TSY]  
**Sent:** Monday, 1 March 2021 5:22 PM  
**To:** ^Parliament: Paul Young <[paul.young@parliament.govt.nz](mailto:paul.young@parliament.govt.nz)>  
**Cc:** Joseph Sant [TSY] <[Joseph.Sant@treasury.govt.nz](mailto:Joseph.Sant@treasury.govt.nz)>  
**Subject:** GSA COLA options

Hi Paul,

s9(2)(f)(iv)



Cheers,  
Ben



**TE TAI OHANGA  
THE TREASURY**

**Ben Roberts | Analyst Financial Institutions | Te Tai Ōhanga – The Treasury**

Tel: s9(2)(k) | Mobile: s9(2)(g)(ii) | Email/IM: [Ben.Roberts@treasury.govt.nz](mailto:Ben.Roberts@treasury.govt.nz)

---

**CONFIDENTIALITY NOTICE**

The information in this email is confidential to the Treasury, intended only for the addressee(s), and may also be legally privileged. If you are not an intended addressee:  
a. please immediately delete this email and notify the Treasury by return email or telephone (64 4 472 2733);  
b. any use, dissemination or copying of this email is strictly prohibited and may be unlawful.

---

---

---

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT