

TRAINEE INTERNS' NEWSLETTER



August 2020

Dear colleagues,

We hope you are well; this newsletter focuses on superannuation and indemnity insurance, which might sound a bit boring, but they are extraordinarily important so please read on...!

Also, if you missed our [previous newsletters](#) you may want to check them out as they contain some useful information on the differences between STONZ and RDA, your rosters and your National Executive.

We are also pleased to announce our third quick and informative video on what your day to day life will be like as an RMO. These videos have been made by our National Executive team and will give you a hands-on perspective of your employment for when you become a House Officer. Click on the video below to watch Dr. Ralston D'Souza, an experienced member of the National Executive team, talk about leave.



Superannuation

We appreciate that when starting employment, retirement is probably the last thing on your mind. However, superannuation is one of those things better organised sooner rather than later... RMOs are amongst the very few health sector employees to have a specific superannuation scheme available and higher employer contributions – courtesy of NZRDA's negotiations on our members' behalf.

Our scheme is transportable: you can take it to any DHB in NZ and on into GP or SMOhood when you get that far; given RMO mobility between DHBs through our careers this transportability is important. You can also suspend contributions for up to 2 years (and longer by agreement) in case you need to go overseas, for instance. Importantly, the DHBs match contributions up to 6% a year. The scheme is only available to NZRDA members but remains your scheme when you move on to become a SMO or GP even though you will not remain an NZRDA member once you get that far.

What are the differences between KiwiSaver and the NZRDA Superannuation Scheme?

1. KiwiSaver is locked in until the age of eligibility for NZ Superannuation, currently 65 years (with some exceptions).
2. The RDA Scheme has flexible withdrawal provisions. When moving between DHBs, members can either transfer their funds to the new DHB or withdraw them. This can be useful for a member who is setting up private practice, going overseas to work, reducing debt etc.
3. The RDA Scheme has an additional withdrawal facility that allows a member to make a withdrawal of 50% of their Member Account once every 5 years, subject to a minimum withdrawal of \$1,000.
4. KiwiSaver has the benefit of a tax credit, which is a matching Government contribution of up to \$521 p.a. as well as a potential HomeStart grant. However, this is subject to eligibility criteria, including maximum income thresholds.
5. Some members elect to join both KiwiSaver and the RDA Scheme to get the benefits of flexibility, and split their subsidy entitlement (3% NZRDA Scheme and 3% KiwiSaver).

If you want more detail on the scheme, the best course of action is to review the [relevant information on the website](#) and email any questions still unanswered to superannuation@nzrda.org.nz.

Indemnity

As you prepare to commence employment as a Resident Doctor in NZ, you will want to consider your options regarding indemnity insurance. You may have heard of MPS, but did you know there are three providers of indemnity cover in NZ? They are Medicus, MPS and NZ Medical Professionals Indemnity Insurance (NZMP).

Medicus is an incorporated society through which insurance can be secured from a separate insurance company.

MPS is a friendly society which does not provide insurance but discretionary cover; MPS is located and run from the UK.

NZMP is a 100% NZ-owned insurance company that directly insures doctors. NZRDA owns 15% of NZMP and most Resident Doctors are insured with this company. The difference between insurance and discretionary cover is important to know about. With insurance you have a legally binding contract of cover that is guaranteed; discretionary cover is exactly that. In NZ, insurance is also governed by the Reserve Bank through the Insurance Act. This requires insurance companies to have the money ready and available at all times to cover potential claims so that contractual guarantee is exactly that. No more Christchurch earthquake but insurance without the wherewithall to pay out for damaged houses!

Some more information on NZMP:

So how does NZMP protect you, the insured doctor? It provides information on how to avoid a claim in the first instance and is immediately available to assist advise you on what to do if you become aware you might be involved in a case. It also supports NZRDA in its role by training delegates to support Resident Doctors in trouble.

If you do get to that place where a complaint is made involving you (and all of you will get to that place – some of you at least once a year, statistically speaking), NZMP will provide support, review the complaint, and assist in drafting a response. In the worst case scenario, our medico-legal team, comprising barristers and solicitors (with help from medical experts where necessary) will represent you in any hearing or court/tribunal proceeding. You have guaranteed insurance cover to \$2 million, a level that is more than sufficient for RMOs (and in fact has never been approached, although the buffer is comforting).

The cover:

- Extends to all work as an RMO (locums etc.) in NZ
- Provides extensions to cover for charity work in the Pacific, and
- Continues to cover you if at some time in the future, a claim should crop up (technically known as “run off”) if you keep your cover continuous while working as an RMO.
- Access to assistance with psychological support in the event of a claim.
- We also have a 24-hour emergency phone line. Although rarely needed, over the years it has proved invaluable to a few.

As said above, NZMP is an insurance company compliant with all the minimum requirements the law dictates. It has a financial rating from A.M. Best, and this company regularly monitors NZMP's financial performance. The current rating (B+) is good.

NZMP doesn't stop there, however; it holds reinsurance to the tune of \$1.5 million, just in case. Yes, this is a conservative approach, but then we are insuring you, so we feel that is entirely appropriate.

As a shareholder, the National Executive of NZRDA receives regular reports from the NZMP Board of Directors and is actively engaged in advising on matters of importance to RMOs in the indemnity field.

If you have any questions on indemnity insurance, please visit the [NZMP website](#) or email us at ask@nzdarda.org.nz.

Contact Us



The next NZRDA trainee interns' newsletter will be published in the second half of August. If you have any specific issues you would like us to cover in our upcoming newsletters or have some interesting information you would like us to include please [email us](#) to let us know! We love feedback and will do our best to accommodate your wishes.



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