



An Introduction to KiwiSaver

June 2025

Product Disclosure Statement

New Zealand Funds Management Limited is the issuer of the NZ Funds KiwiSaver Scheme.

The Product Disclosure Statement and the Disclose Register contain important information to help you to understand how your money is managed and the risks associated with investing.

For further information or to request a copy of the NZ Funds KiwiSaver Scheme Product Disclosure Statement, please contact New Zealand Funds Management Limited or visit our website at www.nzfunds.co.nz.

Even if you have invested with NZ Funds for many years, please take the time to read these documents regularly as the content is frequently updated.

Important Legal Information

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What is KiwiSaver?

KiwiSaver is a work-based savings initiative designed to help you prepare financially for your retirement. You and your employer contribute to your KiwiSaver account, and the Government may also contribute, making KiwiSaver an investment for every New Zealander to consider.

Choosing to save into a KiwiSaver scheme is an important financial decision. Government and employer KiwiSaver contributions will help you build your retirement wealth. By participating in KiwiSaver, you can take charge of your financial future. The benefits of KiwiSaver build up from day one. The earlier you start, the sooner you can start building your retirement wealth.

There are a range of KiwiSaver scheme providers and funds to suit your needs; for example, if you have just started work or are nearing retirement. The key is to choose a KiwiSaver scheme that is tailored to your situation. There are many KiwiSaver schemes to choose from, and you can always switch schemes, but you can only invest in one at any given time.

The Financial Markets Authority (FMA) regulates KiwiSaver schemes. KiwiSaver accounts are not guaranteed by the Government. You make your own investment choices, which come with varying amounts of risk.

Joining KiwiSaver?

Who can join KiwiSaver?

Regardless of whether you are employed, self-employed or not in work, you can join KiwiSaver if you:

- are a New Zealand citizen or you are entitled to be in New Zealand indefinitely; and
- live, or normally live, in New Zealand (with some exceptions).

You cannot join KiwiSaver if you have a temporary, visitor, work, or student visa.

How do I join KiwiSaver?

There are different ways to join KiwiSaver. You can enrol directly with a scheme provider or enrol through your employer. If you are under 18, there are different rules.

I am an employee

When you start a new job, your employer will automatically enrol you in KiwiSaver if you are eligible and:

- you are between the ages of 16 and 65; and
- your job is full time or permanent part-time; or
- you are on a contract of more than 28 days; or
- you are a casual agricultural worker for more than three months.

You can choose the rate for your KiwiSaver deductions at 3%, 4%, 6%, 8%, or 10% of your gross pay. If you do not choose a rate your employer will deduct 3%. Deductions begin from your first pay. As long as you are contributing, your employer will also make compulsory contributions to your KiwiSaver account of at least 3% of your gross pay.

From 1 April 2026, if you don't choose your rate your employer will deduct employee contributions at 3.5%. The minimum employer contribution also increases to 3.5% from this date.*

You have eight weeks to decide if you want to join KiwiSaver. If you do not want to join KiwiSaver, you can opt out.

If your employer does not automatically enrol you, you can join by asking your employer to enrol you or enrol directly with a KiwiSaver scheme provider.

* The minimum employer and employee contribution rates will increase to 4% from 1 April 2028.

Enrol directly with a provider

You can choose your fund from any KiwiSaver scheme provider and transfer between providers at any time. You do not have to stay with your employer's chosen provider, or a default provider.

Once you have joined a KiwiSaver scheme, your main relationship will be with your KiwiSaver scheme provider.

Each provider will have requirements around joining their scheme. Most now have digital enrolment applications.

What is a default provider?

If you do not choose your own KiwiSaver scheme and your employer does not have a preferred scheme, then you will be allocated to a KiwiSaver scheme by Inland Revenue. That scheme is known as a default KiwiSaver scheme.

There are a number of default KiwiSaver scheme providers. They are selected by the Government based on a range of factors, including investment experience, fees, member education and organisation capabilities.

Joining KiwiSaver if you are under 18

If you are under 18 you can only join KiwiSaver directly through a scheme provider. You cannot join through your employer. If you are 16 or 17, you need at least one legal guardian to co-sign your application. If you do not have a legal guardian, contact your chosen KiwiSaver scheme provider.

If you are under 16, one of your legal guardians needs to sign the application form. You cannot enrol yourself.

Product Disclosure Statements

The Product Disclosure Statement (PDS) is the key document for any KiwiSaver scheme. It provides all the essential information to help you decide whether to invest in the scheme or not. The PDS must use clear language to explain the product, including:

- the specific rules, fees, terms, and conditions of the scheme;
- how your money will be invested;
- who is responsible for managing your money; and
- the scheme's approach to responsible investing (including environmental and social considerations).

What are the benefits of joining KiwiSaver?

Government contributions

If you are making contributions to your KiwiSaver and you are aged 16 and over, the Government will make an annual contribution to your KiwiSaver account. The maximum annual Government contribution you are entitled to is \$260.72.

How does it work?

To be eligible for the full Government contribution, you must contribute at least \$1,042.86 a year to your KiwiSaver account and earn \$180,000 or less of taxable income per year. Employer contributions and Government contributions do not count towards eligibility.

If you contribute less than \$1,042.86 from your pay, you can make voluntary contributions to ensure you receive the full contribution from the Government. Otherwise you will receive a Government contribution that is proportionate to the amount you have contributed.

Who is eligible?

If you are eligible to receive the Government contribution, it is paid each year in July to members of a KiwiSaver scheme until you are eligible to withdraw your savings, provided:

- you are 16 or over
- you earn \$180,000 or less of taxable income per year; and
- live (or normally live) in New Zealand (subject to some exceptions).

What if I join KiwiSaver part-way through the year?

If you join KiwiSaver part-way through a year, or you turn 16 during the year (1 July to 30 June), you will receive a Government contribution based on the number of days in the year you've been a member of a KiwiSaver scheme.

What happens when I turn 65?

If you joined KiwiSaver before 1 July 2019 and were over 60 when you joined, a minimum membership period of five years applies. During this period you are entitled to Government contributions and compulsory employer contributions.

You can opt out of the five year membership requirement if you are over 65 or if you make a partial withdrawal from your KiwiSaver account. If you do so, you will no longer be eligible for the Government or employer contributions.

When are Government contributions paid?

If you are eligible, each KiwiSaver scheme collects the Government contribution on your behalf, after 1 July each year. You do not need to do anything. Your Government contribution will appear in your KiwiSaver account during the month of July.

Employer contributions

If you are an employed New Zealander, your employer is required to contribute a minimum of 3% (less tax) of your gross pay directly into your KiwiSaver account. As long as you are contributing, and between the ages of 16-65, your employer will make these contributions. From 1 April 2026, the minimum employer contribution will increase to 3.5%, and it will increase to 4.0% from 1 April 2028.

Employee contributions

If you are employed, contributions will be deducted directly from your gross pay and invested in your KiwiSaver account. You can choose to contribute at a rate of 3%, 4%, 6%, 8% or 10% of your gross pay. If you do not choose a rate, your employer will deduct 3%. From 1 April 2026, the minimum employee contribution will increase to 3.5%, and it will increase to 4.0% from 1 April 2028.

Voluntary contributions

If you are self-employed or not in work, you need to decide how much you want to contribute. If you contribute approximately \$20 per week (or a total of at least \$1,040 per year) you may qualify for the annual Government contribution.

How do I make contributions to my KiwiSaver account?

To make a contribution to your NZ Funds KiwiSaver Scheme:

Online Banking

Choose **NZ Funds KiwiSaver Scheme** from your Internet Banking Payee list, and include:

Particulars: <Surname and initial>

Code: <NZ Funds KiwiSaver Scheme Member number – this number will start with NZF>

Reference: <Member IRD Number>

Note

If you require any further assistance, please contact your financial adviser or the NZ Funds Client Services team on 0800 377 2277 or clientservices@nzfunds.co.nz.

Can I stop contributing to my KiwiSaver?

If you are an employee, you can choose to pause your KiwiSaver savings by applying for what is called a 'savings suspension.'

Generally, you can only take a savings suspension after one year of membership. A savings suspension must be for a minimum of three months, and can be for a maximum of one year. There is no limit on the number of saving suspensions allowed.

How is KiwiSaver taxed?

Most KiwiSaver schemes are Portfolio Investment Entities (PIEs) under the PIE rules.

The PIE rules allow you to effectively pay tax on your investment in your KiwiSaver scheme at a maximum tax rate of 28%.

The amount of taxable income or loss of the scheme allocated to you is calculated daily.

If the scheme receives a tax refund, it will allocate that refund to your account by purchasing additional units in the scheme.

Selecting your Prescribed Investor Rate (PIR)

The amount of tax you pay is based on your Prescribed Investor Rate (PIR). Your PIR is based on your taxable income (which includes your worldwide income and may include income when you were not resident in New Zealand) and PIE income for each of the previous two tax years, and is based on the year which has the lowest combined income amount. You can use the table below to help work out your PIR.

Taxable Income		Taxable Income +PIE Income	PIR
\$0 – \$15,600	and	\$0 – \$53,500	10.5%
\$0 – \$15,600	and	\$53,501 – \$78,100	17.5%
\$15,601 – \$53,500	and	\$0 – \$78,100	17.5%
Over \$53,501	and	Any amount	28.0%
Any amount	and	Over \$78,101	28.0%

It is important that you choose the correct PIR.

If you select a PIR that is too high, then as part of the annual tax return process:

- you will be able to get any overpaid tax refunded (either directly or by a reduced tax bill); or
- you may have to pay further tax if you have received refunds during the year based on your incorrect PIR.

If you select a PIR that is too low, then as part of the annual tax return process:

- you will have to pay more tax on your income from a Portfolio at your correct PIR; or
- you may be entitled to a further tax refund based on your correct PIR.

Pre-retirement withdrawals

Generally, you cannot withdraw your investment in KiwiSaver until the you reach retirement age (currently 65). However, there are some exceptions.

First home withdrawal

You can apply to withdraw some of your investment to purchase a first home in New Zealand if you meet the following criteria:

- you have belonged or contributed to a KiwiSaver scheme or complying superannuation fund for at least three years;
- the property you intend to purchase is, or is intended to be, your principal place of residence;
- you have never held an 'estate in land'; and
- you have not made a withdrawal from a KiwiSaver scheme for the purchase of a first home before.

Under the KiwiSaver rules, members must leave a minimum of \$1,000 in their KiwiSaver account after the first home withdrawal. Any funds transferred from an Australian complying superannuation fund cannot be withdrawn as part of a first home withdrawal.

Second chance withdrawal

In some circumstances, if you have previously owned a house or land you may still be eligible to withdraw your KiwiSaver account as a second chance withdrawal. To qualify, you must satisfy the Kainga Ora - Homes and Communities criteria. You will need to make an initial application to Kainga Ora - Homes and Communities, including details of your income and any assets or liabilities you have.

What if I am buying house in the name of a trust?

If you are buying your first home through a trust of which you are a trustee then, provided you personally meet the first home withdrawal criteria, i.e.:

- you have been in KiwiSaver for three years;
- you have not previously made a first home withdrawal;
- the home is going to be your principal family home; and
- you have not previously owned an interest in land,

then you can make a first home withdrawal and the trust can use the money for the purchase of the home.

If you are the trustee of a trust that owns a property, then you can make a first home withdrawal (even though you legally own an interest in land as a trustee) for the purchase of your own first home, provided that you have no reasonable expectation of occupying the property owned by the trust until the death of the current occupier or their survivor. Put simply, if you are not the occupier of the property owned by the trust then you are not considered to own it for the purposes of the first home withdrawal rules.

If you are only a settlor or beneficiary of a trust that owns a property (and not a trustee of that trust), the trust is irrelevant and the normal first home withdrawal criteria apply.

Significant financial hardship withdrawal

If you can provide evidence that you are suffering significant financial hardship, you may be able to withdraw some of your KiwiSaver account. Significant financial hardship includes if you are:

- unable to meet minimum living expenses;
- unable to meet mortgage repayments on the home you live in, resulting in your mortgage provider enforcing the mortgage on your property;
- modifying your home to meet special needs because you or a dependent family member have a disability;
- paying for medical treatment if you or a dependent family member:
 - becomes ill;
 - has an injury; or
 - requires palliative care;
- suffering from a serious illness; or
- incurring funeral costs if a dependent family member dies.

How much can you withdraw under significant financial hardship?

You may be able to withdraw the current value of contributions you and your employer(s) have made to KiwiSaver. You cannot withdraw any Government contributions (including the \$1,000 kick-start). The decision on how much can be withdrawn is made by the Trustee of the scheme, based on the information you provide in the application form.

There are no limits to the number of serious financial hardship withdrawals you can apply for.

Life-shortening congenital condition withdrawal

You can make a retirement withdrawal at any time before age 65 under this category.

A life-shortening congenital condition:

- is listed as a life-shortening congenital condition by the KiwiSaver Regulations, or
- exists for a person from the date of their birth and is likely to reduce the person's life expectancy below the New Zealand superannuation qualification age.

Once you make a life-shortening congenital condition withdrawal, you will be deemed as having reached retirement age and the KiwiSaver retirement withdrawal rules will apply.

Serious illness withdrawals

If you are seriously ill, you can apply to withdraw the entire balance of your KiwiSaver account. You can make a serious illness application if you have an illness, injury, or disability that:

- means you are totally and permanently unable to work in a job suited to your education, experience, or training; or
- poses a serious risk of death in the short term.

Moving to Australia permanently

If you move permanently to Australia, you can choose to transfer your KiwiSaver funds to a complying Australian superannuation fund.

Contact your KiwiSaver scheme provider if you would like to transfer your KiwiSaver funds to Australia.

Moving to any other country

If you have been living overseas (not Australia) for one year or more, you can choose to withdraw your KiwiSaver funds (other than Government contributions, or any amount transferred from an Australian superannuation fund).

You can also apply to your scheme provider to have your KiwiSaver funds transferred to an approved foreign superannuation scheme.

Contact your KiwiSaver scheme provider if you would like to withdraw or transfer your KiwiSaver funds overseas.

Paying a tax liability or student loan using a foreign superannuation transfer

If you transferred funds from a foreign superannuation fund into a KiwiSaver scheme, you may be able to make a withdrawal to meet any New Zealand tax liabilities or student loan repayment obligations that arise from the transfer of your money to a foreign superannuation scheme.

Withdrawals in the event of death

In the event of your death, your KiwiSaver funds become part of your estate, including any other assets, like a home or bank accounts you might have.

If the total value of your estate is less than the prescribed amount (currently \$15,000) and other conditions are met, we can pay your KiwiSaver balance directly to a person allowed by law to receive it. This could be a surviving spouse or partner.

If the total value of your estate is over \$15,000, your executor (the person named in your will to manage your estate) will need to apply for Probate before we can release the funds to your estate. If you die without a will, the person administering your estate will need to apply for Letters of Administration before we can release the funds to your estate.

KiwiSaver Retirement Withdrawals

You are eligible to withdraw all your KiwiSaver funds when you reach the qualifying age for New Zealand superannuation (currently 65).

If you joined KiwiSaver before 1 July 2019 and were aged between 60-64 you would have been locked into KiwiSaver for five years. Being locked in meant you could not withdraw your funds when you were 65.

From 1 April 2020 you can now either:

- opt out any time after you reach 65 (and withdraw your savings); or
- keep your funds in KiwiSaver for the full five year term (and withdraw them after that).

What are your options once you meet the qualifying age?

When you reach the age that you are eligible to withdraw your funds, contact your KiwiSaver scheme provider.

Once you reach the qualifying age you have three options:

1. Do nothing. Just because you are eligible to access your KiwiSaver does not mean you have to! For many people, leaving their funds invested in KiwiSaver presents them with a highly diversified, cost effective retirement savings solution.
2. Set up a regular withdrawal from your KiwiSaver account to supplement your New Zealand Superannuation or other retirement income sources.
3. Access some or all of your funds when you need them.

Do I still qualify for compulsory employer contributions?

You will not qualify for employer contributions when you reach qualifying age. However, if you keep on working past the age of 65, your employer can continue to make contributions if they choose to, but it is not compulsory. Talk with your employer about this.

Do I still qualify for Government contributions?

Once you reach qualifying age you are no longer eligible for Government contributions unless you joined KiwiSaver before 1 July 2019 and were over 60 when you joined. In the year you reach qualifying age, you are entitled to the Government contributions for part of that year only.

What is a statutory declaration and why is it required?

A statutory declaration is a written statement declaring something to be true and is made in the presence of an authorised witness.

The KiwiSaver Act requires that a statutory declaration be completed by you prior to withdrawing any Government contributions. A statutory declaration is part of the form required to be completed by you when you wish to make a retirement withdrawal. It must be signed and dated in front of someone who has the authority to take statutory declarations. The witness must also sign the statutory declaration to confirm that you have signed it in front of them.

The witness for a statutory declaration must be one of the following:

- Member of Parliament;
- Lawyer;
- Justice of the Peace;
- Registered Legal Executive (Fellow of NZILE); or
- Government Officer authorised to take statutory declarations.

Resources

NZ Funds KiwiSaver: <https://www.nzfunds.co.nz/InvestmentSolutions/Kiwisaver/>

Kainga Ora – Homes and Communities: kaingaora.govt.nz/en_NZ/home-ownership/

Financial Markets Authority: <https://www.fma.govt.nz/investors/kiwisaver-and-superannuation/about-kiwisaver/>

Sorted – compare KiwiSaver funds: <https://sorted.org.nz/tools/kiwisaver/kiwisaver-fund-finder/>

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