



KiwiSaver

KiwiSaver superannuation schemes are designed to help people save for their retirement. Set up by legislation, every KiwiSaver Scheme must follow the rules outlined in this legislation.

For more information on how KiwiSaver Schemes work see:
www.kiwisaver.govt.nz

Contact details for your KiwiSaver Scheme are in your Scheme's investment statement and on its website. KiwiSaver Schemes are administered by Scheme managers but the Trustees of your scheme have overall responsibility for it.

The most common KiwiSaver issue people contact the IFSO Scheme about is withdrawing their KiwiSaver savings.

Withdrawing your KiwiSaver savings

- In general, you are restricted from accessing your KiwiSaver savings before you qualify for NZ Super (currently age 65).
- The only exceptions are: buying your first home, experiencing significant financial hardship, suffering serious ill-health or moving overseas permanently. There are very definite and inflexible criteria for each of these, set out in legislation.
- If you do need to withdraw your KiwiSaver savings, call your KiwiSaver Scheme. Ask about the criteria you need to meet and the timescales for payment.
- If you do not meet the criteria for early withdrawal, your KiwiSaver savings cannot be released.

1. Buying your first home

You may be able to withdraw some of your KiwiSaver savings to contribute towards buying your first home if you have been a member of your KiwiSaver Scheme for 3 years.

The timing of the purchase is important. You must not have completed the sale before you apply for your KiwiSaver savings. There will be some delay between your application and the payment of your KiwiSaver savings. Ensure your solicitor knows that you intend to use your KiwiSaver savings to part fund the purchase as this may impact on the timing of the sale.

What to do:

1. If you have an issue about your KiwiSaver, always contact your KiwiSaver Scheme in the first instance.
2. Contact details for your KiwiSaver Scheme, as well as details about its complaint process, should be in your KiwiSaver Scheme's investment statement. If you don't have one, check your Scheme's website.
3. For help with your withdrawal application or your finances in general, contact your local Family Budgeting Service or Citizens Advice Bureau.
4. If you are unable to resolve your issue through your KiwiSaver Scheme's internal complaint process, call the IFSO Scheme on 0800 888 202.

For more information on KiwiSaver in general see:
www.kiwisaver.govt.nz

2. Significant financial hardship

You may be able to withdraw some of your KiwiSaver savings if you meet the legislative criteria for “significant financial hardship”. The criteria is based on being unable to meet minimum living expenses, and gives very specific circumstances to qualify. Although you may be in financial distress, you may not qualify if you do not meet the criteria and particular circumstances set out in the legislation.

Even if you meet the criteria, KiwiSaver withdrawals are regarded as a last resort.

3. Serious ill-health

If you have a terminal illness or permanent disability affecting your ability to work, you may be able to withdraw your KiwiSaver savings early.

4. Moving overseas permanently

If you have moved overseas permanently to a country other than Australia and you have been living overseas for a year, you can apply to withdraw your KiwiSaver savings. If you have permanently emigrated to Australia, you can apply to transfer your KiwiSaver savings to your Australian Superannuation scheme.

Real examples

Phil applied to use his KiwiSaver savings towards the purchase of his new house. However, Phil's KiwiSaver Scheme received Phil's application 3 days after the purchase of his house was completed.

The Scheme could not release Phil's savings because when it received Phil's application, he already technically owned the house. Therefore, Phil did not meet the criteria for a first home withdrawal.

Anne had \$7,000 in her KiwiSaver Scheme. Anne had a court fine of \$6,000 and other debts. She also supported her partner and children. The Trustee of Anne's KiwiSaver Scheme only allowed a partial withdrawal on the basis of significant financial hardship. The amount paid allowed Anne to pay off all her other debts, but not the court fine.

The Trustee said that it would not pay toward the court fine, as Anne could meet her minimum living expenses after paying off her other debts.