

Why KiwiSaver?

KiwiSaver allows you to save on a regular basis and helps you better prepare for your retirement in a way that a regular savings account can't.

How does KiwiSaver work?

Your employer and Government contributions work with your own contributions to boost your savings. That's why KiwiSaver may be more effective than a regular savings plan in helping you meet your retirement savings goals.

KiwiSaver benefits

KiwiSaver currently offers a number of benefits* including:

- an annual Member Tax Credit contribution of 50 cents for every dollar you save, up to a maximum of \$521.43 (if eligible)
- compulsory contributions from your employer (if eligible)
- help with buying a first home.

**Not all KiwiSaver members will be entitled to receive these benefits and these benefits will change from time to time.*



How much can you save with KiwiSaver?

Josh is 30 years old, earns \$70,000 before tax per annum and contributes the minimum employee contribution of 3% to his KiwiSaver Scheme. His employer also pays the minimum contribution to his KiwiSaver Scheme savings.

The below table shows how much the savings add up to over 5 years saving with and without KiwiSaver.

Year Ended 31 March	Employee Contributions	Compulsory Employer Contributions	Member Tax Credit*	Total saved <u>with</u> KiwiSaver	Total if saved 3% <u>without</u> KiwiSaver
2019	\$2,100	\$1,470	\$521	\$4,091	\$2,100
2020	\$2,100	\$1,470	\$521	\$4,091	\$2,100
2021	\$2,100	\$1,470	\$521	\$4,091	\$2,100
2022	\$2,100	\$1,470	\$521	\$4,091	\$2,100
2023	\$2,100	\$1,470	\$521	\$4,091	\$2,100
Total	\$10,500	\$7,350	\$2,605	\$20,455	\$10,500

Total <u>additional</u> savings because Josh is in KiwiSaver	\$9,955	(\$20,455-\$10,500)
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This example is for illustrative purposes only. It is based on a member joining for the first time on 1 August 2019 with contributions payable on salary or wages received on or after 1 August 2019. It is designed to show the annual amount credited to the member's KiwiSaver account, including member tax credits and the compulsory employer contributions. This example does not include any returns on the investment or take into account any fees or taxes except Employer Superannuation Contribution Tax (ESCT) that applies to all employer contributions.

* The member tax credit is payable for each member tax credit year, which begins on 1 July and ends on 30 June.