



BNZ KiwiSaver Scheme

The easy choice for employers







Help your employees to save for a more comfortable retirement

KiwiSaver is a voluntary savings initiative set up by the Government to encourage New Zealanders to save for their retirement.

As an employer, you'll play an important role in helping your employees grow their retirement nest eggs so they can enjoy a more rewarding future. Not only will you need to collect employee contributions from their salary/wages and pass these to Inland Revenue, but you'll generally also be required to make employer contributions towards their KiwiSaver savings.

We believe it's a good idea to familiarise yourself with KiwiSaver and we're sure you'll find it useful to have someone you trust on-hand to help with any queries you or your employees might have. That's where we can help.

This guide tells you how you can make providing KiwiSaver within your workplace really easy – both for you and your employees. By selecting the BNZ KiwiSaver Scheme as your employer-chosen KiwiSaver scheme, you'll be able to make the whole process simple and hassle free.

KiwiSaver incentives for employees

KiwiSaver offers employees some great benefits.

Government contribution

If your employee mainly lives in New Zealand, is aged over 18 but below their KiwiSaver retirement age, and is contributing to a KiwiSaver scheme, the Government will make an annual government contribution towards their KiwiSaver account until their KiwiSaver retirement age.

Under current legislation, the government contribution is 50 cents for each \$1 a KiwiSaver member contributes, up to a maximum of \$521.43 a year. So, a member must contribute \$1,042.86 or more in the year 1 July to 30 June to receive the maximum government contribution of \$521.43 (provided they have been an eligible member for the full year). Employer and government contributions do not count towards eligibility.

Compulsory employer contributions

If your employees are over 18, are below their KiwiSaver retirement age and are contributing towards a KiwiSaver scheme, then generally you're required to pay the equivalent of 3% of the employee's before-tax salary or wages into their KiwiSaver account.

You must calculate and deduct employer's superannuation contribution tax from these employer contributions.

You may be exempt from making compulsory contributions to an employee's KiwiSaver account if you are already contributing to another superannuation scheme for your employees. Ask us for further information.

Saving for a first home

If your employee is saving for their first home and has been a member of a KiwiSaver scheme for at least three years, they may be eligible to withdraw all of their KiwiSaver savings – apart from \$1,000 and any amounts transferred from an Australian complying superannuation scheme – to put towards their purchase.

Your employee may also be eligible for a KiwiSaver First Home grant from Kāinga Ora, which provides eligible first home buyers with a grant of up to \$5,000 for the purchase of an existing home, and up to \$10,000 for building or purchasing a brand new home (after 5 years of contributing).

A fund for first home buyers

The BNZ KiwiSaver Scheme has a **First Home Buyer Fund**, which may suit your employees who are looking to use their KiwiSaver account to help them save for a first home.



Your responsibilities as an employer

As an employer your responsibilities are to:

- Make KiwiSaver available to your employees.
- Provide new employees, or existing employees who ask for one, with a KiwiSaver information pack.
- Provide Inland Revenue with details of eligible employees to be automatically enrolled.
- Deduct employee contributions from salary/wages and process KiwiSaver scheme contributions with PAYE payments to Inland Revenue.
- Make employer contributions.
- Accept and process opt-out requests from your employees.
- Act on savings suspension notices.

For more information please refer to the Inland Revenue's KiwiSaver employer guide. This explains your role and obligations when implementing KiwiSaver in your workplace and is available at ird.govt.nz/kiwisaver/kiwisaver-employers

How are employees enrolled into a KiwiSaver scheme?

There are a number of ways an employee can become a member of a KiwiSaver scheme:

- Your employee can choose a KiwiSaver scheme for themselves by completing the relevant application form for that scheme.
- If your employee does not choose a KiwiSaver scheme for themselves, but you have elected a KiwiSaver scheme of choice (also known as an employer-chosen KiwiSaver scheme), then they will automatically be enrolled into the KiwiSaver scheme which you've chosen.
- If you have not chosen a KiwiSaver scheme and your employee does not select their own scheme, they will be enrolled into one of the default schemes which have been selected by the Government.

Good to know

An employee can choose their own KiwiSaver scheme at any time by contacting a KiwiSaver scheme provider directly.

Why choose the BNZ KiwiSaver Scheme for your business and your employees?

The BNZ KiwiSaver Scheme aims to support our customers' future ambitions by helping them be good with money.

As an employer, you're not expected to be an expert in all matters relating to KiwiSaver. But by choosing the BNZ KiwiSaver Scheme, you'll have access to our specialist knowledge for your business.

Selecting a scheme for your employees to join also means you may have more of your employees being managed by one KiwiSaver scheme provider, potentially making the administration of KiwiSaver within your workplace a whole lot easier.

By selecting a KiwiSaver scheme for your employees you're not deemed to be providing financial advice and you won't have a financial obligation if the KiwiSaver scheme fails.

Did you know?

The BNZ KiwiSaver Scheme is one of six Government appointed default KiwiSaver schemes.





Employee and employer benefits

By choosing the BNZ KiwiSaver Scheme as your employer-chosen KiwiSaver scheme, you'll have access to our specialist resources for your business. This will make it simple and easy for you to fulfil your employer KiwiSaver obligations. What's more, there's no cost associated with doing so. It'll also show your employees that you're committed to helping them to save for their retirement.

There are many other great benefits, both for you and your employees.

Employer benefits

- Your business will have access to our Investment Support Team for specialised support on any KiwiSaver-related questions you may have.
- You'll have a single point of contact for all KiwiSaver enquiries.
- We'll provide you with copies of the BNZ KiwiSaver Scheme Product Disclosure Statement for you to give your employees.
- If your company already banks with BNZ or would like to, you may find it easier to have your KiwiSaver option looked after by the same group of companies.

Employee benefits

- Easy access to all the information your employees will need to make an informed decision about joining a KiwiSaver scheme and choosing the right fund.
- BNZ Internet Banking or the BNZ app will allow your employees to view and manage their BNZ KiwiSaver Scheme account online.



How to choose the BNZ KiwiSaver Scheme

It's easy to choose the BNZ KiwiSaver Scheme as your employer-chosen KiwiSaver scheme. Just complete the enclosed form and return it to your BNZ Partner, or post it to us.

Freepost BNZ KiwiSaver Scheme
Private Bag 92208
Auckland 1142
New Zealand

What happens next

Once we've received your completed form, we'll advise Inland Revenue that you've selected the BNZ KiwiSaver Scheme as your employer-chosen KiwiSaver scheme. Inland Revenue will notify you once it has updated this information on its system (which can take up to four weeks).

Once the BNZ KiwiSaver Scheme has been appointed

Whenever you provide an employee (new or existing) with a KiwiSaver information pack, you must also give them:

- The BNZ KiwiSaver Scheme Product Disclosure Statement
- A written statement advising them that if they do not choose their own KiwiSaver scheme they'll be allocated to the BNZ KiwiSaver Scheme.

We'll send you copies of the BNZ KiwiSaver Scheme Product Disclosure Statement and a template for you to use.

We're here to help you

If you require further information or if you or your employees have any questions, please contact us on **0800 269 5494**.

If you would like to talk to us about why you should choose the BNZ KiwiSaver Scheme as your employer-chosen KiwiSaver scheme, please contact your BNZ Partner.

To view the BNZ KiwiSaver Scheme Product Disclosure Statement, visit **bnz.co.nz/KiwiSaver** or call us on the number above.



Notes

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