

Make Your KiwiSaver SuperEasy

KiwiSaver: Overview from 1 April 2009

- KiwiSaver offers workplace super that is open to any resident New Zealander under age 65. Contributions for KiwiSaver are generally collected by the IRD – with the investments managed by a range of private companies.
- \$1,000 kick-start from government for all new members, plus a matching contribution from your employer of 2% of salary, plus tax exemption on up to 2% of salary, plus a member tax credit of up to \$1,043 each year.
- Compulsory for most new employees, but can opt out after two to eight weeks.
- Fully portable. Each KiwiSaver account is linked to your IRD number, so only one KiwiSaver account that cannot be lost or forgotten.
- On joining KiwiSaver, you will be asked to choose a KiwiSaver provider, but if you do not, you will be enrolled with your employer's preferred provider (if it has one), else one will be chosen for you by the IRD. Note: someone else selecting a KiwiSaver provider for you because you chose not to do this yourself does not constitute receiving financial advice.
- It is your decision, no one else's, to decide which private company will manage your KiwiSaver funds. Even if your employer has selected a preferred provider you are still free to join any scheme you wish.
- You can transfer between schemes but can only belong to one KiwiSaver scheme at a time. If you are an existing KiwiSaver member you can at any time transfer your funds across from your existing KiwiSaver provider to SuperEasy if you wish.
- Some schemes offer a mortgage diversion feature after you have been in the scheme for a year, but in some circumstances such an arrangement can be financially disadvantageous.
- Savings locked-in until age 65 or five years, whichever is the later, except for severe financial hardship, serious illness, emigration, death and first home purchase. Withdrawals after the locked-in period are fully flexible.
- On certain conditions, a gift of up to \$10,000 from the government per couple towards the purchase of your first home.
- Contribution holidays from three months to five years available after one year. Contributions do not have to be paid if you are not working.
- Although Civic is local government owned, it is deemed a private company regarding the provision of a KiwiSaver scheme. Civic's KiwiSaver scheme has account balances available on the web via www.supereasy.co.nz.
- Our KiwiSaver scheme (and non-KiwiSaver scheme) is registered as a "PIE" (a fairer tax system for those on lower tax rates, and note that most retirees are on a lower tax rate).

Compulsory Contributions from your Employer

If you are a KiwiSaver member and are paying contributions through your workplace, your employer must contribute a minimum of 2% of your salary or wages. NB Your employer can contribute more if they wish but will only receive the employer superannuation contribution tax exemption on no more than 2%.

What is the maximum financial advantage from paying into KiwiSaver?

You can contribute 2%, 4% or 8% of your gross salary to KiwiSaver plus lump sums. If your contributions reach \$1,043 per annum and you are over 18 you will qualify for the full Member Tax Credit of \$1,043 each year, and if employed the full compulsory employer contribution and also the maximum tax exemption on employer contributions. Any savings on top of that can be directed to our non-KiwiSaver scheme. For example suppose you wish to contribute 6% of your salary to superannuation, you could pay 2% into our KiwiSaver scheme (and pick up the employer's 2%) and then pay 4% to our non-KiwiSaver scheme, all in the one package. And you check both account balances on the one web page.

Civic Recommends SuperEasy To Local Authority Staff

Civic's SuperEasy has been designed for the staff of local government. The advantages to you of choosing SuperEasy for your KiwiSaver are:

- Civic exists purely for the benefit of local government, not unknown overseas shareholders looking after their own interests. Civic is dedicated to providing local government (and its staff) with the best financial solutions.
- SuperEasy's Automatic Fund solves the inherent problem that exists in all other investment and superannuation funds, which is when to switch from growth (higher risk) assets to income (lower risk) assets.
- The fund-management charge of 0.5% pa and an administration fee of \$4.50 per month are the ONLY charges made by Civic: we have no set-up charge, no switching fee and unlike many other KiwiSaver schemes will not pay commission or join-up fees to so-called 'independent advisers'. There can be some other fund management charges such as trusteeship and audit fees passed through from Civic's fund managers, which if applicable would typically average less than 0.1% pa.
- The Automatic Fund is designed to last for life, not just until a member changes jobs or retires. In particular, the Automatic Fund will be there to manage in retirement a member's retirement savings. Note that when a SuperEasy member is in retirement they will still enjoy SuperEasy's low, wholesale charges.
- SuperEasy is "PIE-compliant" and will allow tax flow through. This means that 33% and above taxpayers will be taxed at a maximum of 30% on their investment income and the rest, plus certain 33% taxpayers, can choose to have their investment income taxed at 19.5% rather than 30%. Not all superannuation funds are PIE-compliant.
- Civic is not tied or linked to any one investment manager, or an in-house investment team.
- Independent scheme trustees (three appointed by local government, two by the Civic Board, one by the CTU) oversee the management and propriety of the scheme as the scheme's trustee.
- You can mix and match contributions with our KiwiSaver scheme and our non-KiwiSaver scheme all within the one package for extra flexibility with your retirement savings.
- Once you join, irrespective of your circumstance you can remain a member for as long as you choose of one or both schemes and continue to enjoy our low wholesale charges.

It's Easy To Join – Download the Forms from www.supereasy.co.nz

Complete our Application Form (SE002/2008) and for employees a KS 2 Form (from our website or the IRD Employee Information Pack) and submit them to your Human Resources Department (if an employee) who will forward the Application Form to Civic Assurance.

For an Investment Statement see www.supereasy.co.nz.

Other useful websites are www.kiwisaver.govt.nz and from the Office of the Retirement Commissioner, www.sorted.org.nz. The latter offers all sorts of advice on how to manage your finances, with special sections for kids, students and over 60's.

Who is Civic? (NZ Local Government Insurance Corporation Ltd)

- History going back to 1941
- Insures over \$11 billion of assets
- Owned by local authorities (74 out of 85 hold Civic shares)
- Has an AM Best credit rating of A (Excellent)
- Fund Manager for Riskpool which covers liability exposures of local authorities
- Administration Manager for LAPP (Local Authority Protection Plan) Disaster Fund
- A specialist superannuation provider for local government since 1991
- Audited by the Office of the Auditor General.