



KiwiSaver Government Contributions

(helpful comments from Civic Financial Services Ltd
– SuperEasy KiwiSaver Superannuation Scheme)

From 1 April 2020: How Much Government Contribution Will You Receive?

It's important to ensure you know how much KiwiSaver Government Contribution you will be entitled to receive at the end of each KiwiSaver Year. The KiwiSaver Year runs from 1 July to 30 June of each year. If you are 18 or over, at the end of each KiwiSaver Year the Government will pay into your KiwiSaver account a Government Contribution at a rate of \$0.50 cents for each dollar you pay in, up to a maximum of \$521.

NB: It is only your own personal contributions that qualify towards your Government Contribution, employer contributions do not count towards your Government Contribution entitlement.

So this means that you will have to personally pay in at least \$1042 each KiwiSaver Year to receive the full Government Contribution from the Government. To receive the full entitlement of \$521 you must have been a member for that entire KiwiSaver Year (1 July to 30 June). So if you have joined during this current KiwiSaver Year you will only receive a proportion of this entitlement depending on two things:

- Your Government Contribution Start Date, and
- How much you have personally paid into the SuperEasy KiwiSaver Superannuation Scheme before the end of the KiwiSaver Year (30 June). This does not include any amount paid by your employer.

What will my Government Contribution Start Date be?

There are a few variations depending on whether you joined up through your employer or direct with your provider. As all SuperEasy KiwiSaver Superannuation Scheme members make their payments either through their employer or via the IRD we are able to provide the following guide to what your Government Contribution entitlement will be.

Based on being the earlier of:

- the first of the month in which your first deduction came out of your pay, or
- the first of the month in which your first payment was received by the IRD, or
- the first of the month in which your first payment was received by Civic Financial Services Ltd ("Civic"), or
- when your account was opened with Civic.

You will be entitled to a proportion of the full Government Contribution entitlement as set out in the table below:

Government Contribution Start Date (calculated to first of the month)	Government Contribution Entitlement	Government Contribution Start Date (calculated to first of the month)	Government Contribution Entitlement
July (full entitlement)	\$ 521	January	\$ 259
August	\$ 478	February	\$ 215
September	\$ 434	March	\$ 175
October	\$ 391	April	\$ 131
November	\$ 347	May	\$ 88
December	\$ 304	June	\$ 43

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What do you need to do to ensure you receive the Government Contribution entitlement?

If you have already paid in double the amount or greater to the entitlement figure in the table then nothing. If you have paid in a lesser amount then you need to make up the difference by paying this shortfall into your KiwiSaver account before the end of the current KiwiSaver Year. You pay these amounts direct to the IRD (not to Civic) either by:

- Using the “IRD Payments” option through internet banking, drilling down to the KiwiSaver member account. You need to include the following details; your IRD number, tax type “KSS”, period “O”, or
- Paying over the counter at any Westpac Branch.

If you are unsure of how much you have already paid and are having these payments deducted from your salary you can check this with your Employer’s Payroll Dept.

NB: To qualify for this entitlement any shortfall payments need to be paid before the end of the current KiwiSaver Year. The KiwiSaver Year runs from 1 July to 30 June of each year.

If no longer in your first KiwiSaver Year what is your Government Contribution entitlement?

You are eligible to receive the full Government Contribution irrespective of when or how you make payments into your KiwiSaver scheme. This could be through your employer or by a lump sum or top-up payment, as long as it is paid in during that KiwiSaver Year it will qualify for that year’s entitlement. Let’s say you sign up for KiwiSaver and are paying in 3% of your gross salary and a few years down the track your situation changes and you put your contributions on hold. Provided you are over the age of 18 and pay in the required amount you are still entitled to your full Government Contribution. You can still make personal payments whenever you like and these will still qualify for your Government Contribution.

Who and what is included

The Government Contribution applies to your personal (not employer) contributions received by the scheme during the current KiwiSaver Year. Employer contributions do not qualify for your Government Contribution. To qualify for your Government Contribution you must be 18 or over, your principal place of residence must be in New Zealand, except if you are a:

- government employee serving outside New Zealand, or
- person working overseas as a volunteer.

When and how will the Government Contribution be paid?

There is nothing for you to do. Civic Financial Services Ltd, as your scheme provider will, after 30 June of each year claim the Government Contribution from the IRD on your behalf and when received will invest it directly into your SuperEasy KiwiSaver Superannuation Scheme account. You will be entitled to receive Government Contributions up to your Qualifying Date, usually being the age you qualify for New Zealand Superannuation (currently 65), but if you first joined KiwiSaver before 1 July 2019, your Qualifying Date is the later of the date you became eligible for New Zealand Superannuation and the date that is five years from the date you first joined KiwiSaver. However, if you make a retirement withdrawal before reaching your Qualifying Date you will cease to be eligible for any further Government Contributions.

This bulletin is based on current legislation and information received from the IRD.

Local Government Superannuation Trustee Limited is the issuer of the Local Government Superannuation Scheme and the SuperEasy KiwiSaver Superannuation Scheme. A product disclosure statement is available for each Scheme, which can be obtained by contacting Civic Financial Services Limited, or on the register entry for each Scheme at www.disclose-register.companiesoffice.govt.nz.