

Immediate Release

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### Only Two Weeks Left to Get a 50% Return on Your Kiwisaver Top Up

KiwiSaver members have just two weeks left to top up their accounts to qualify for the Government's Member Tax Credits, says the Financial Services Council CEO Peter Neilson.

Last year KiwiSaver members failed to pick up \$400 million in member tax credits.

The Government will pay up to \$521 into your KiwiSaver account, providing you contribute at least \$1042 dollars into your KiwiSaver account each year. "That's a 50% return – there's nowhere else you can earn a 50% return on your savings," Mr Neilson says.

To qualify for the benefit each year, you must have contributed the minimum \$1042 into your KiwiSaver account before June 30.

"\$521 a year may not sound like much but over 45 years and then earning interest on the interest reinvested it could mean over \$100,000 more in your retirement nest egg at age 65 (based on \$521 each year, from age 20 to 65 and invested in a balanced or growth fund for someone earning \$48,000 or less per year)."

The FSC estimates that about 460,000 New Zealanders earning less than \$35,000 will probably leave money on the table because they have not contributed enough to pick up the full \$521. Those on a contribution holiday will similarly miss out on the \$521. A KiwiSaver should check their account to see if they have contributed enough to receive the full \$521 and if not top it up to the \$1042.

"If your son or daughter is working and contributing to KiwiSaver you might think about topping up their account so they also get the benefit. (Note: KiwiSaver members must be aged over 18 to receive the Member Tax Credit)

"I am going to top up my daughter's KiwiSaver account as she doesn't earn enough as a student to contribute the required \$1042 to pick up the full \$521 benefit.

"If you can't find \$1042 at short notice, you might think of setting up a regular direct debit to help top up the account over future years. A direct debit of just \$20 a week means you'll contribute enough to reach the threshold and qualify."

With 2.5 million members, KiwiSaver is New Zealand's most successful savings innovation in the last century.

Mr Neilson suggested that all KiwiSavers should make a note in their calendar for June 1 next year to remind them to check their KiwiSaver balance, whether their level of contributions will get them the full \$521 tax credit, whether they are in the best investment style for them and if the current tax rate is being applied to their fund.

"Getting these things right can make hundreds of thousands of dollars difference to your retirement savings.

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growing and protecting the wealth of New Zealanders

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