

NZ Funds KiwiSaver Scheme – Member Tax Credits

JUNE 2018

What are Member Tax Credits?

To help you save, the Government will make an annual contribution towards your KiwiSaver account as long as you are a contributing member aged 18 or over.

The maximum annual Member Tax Credit you are entitled to is \$521.43.

To get the full Member Tax Credit automatically, you have to contribute at least \$1,042.86 a year (from 1 July to 30 June). Employer contributions and government contributions do not count towards eligibility for this credit.

The Government pays 50 cents for every dollar of member contributions annually up to a maximum payment of \$521.43. This means that you must contribute \$1,042.86 annually to qualify for the maximum payment of \$521.43.

If you contribute less than \$1,042.86 from your pay, you can make voluntary contributions to ensure you receive the full Member Tax Credit payment from the Government.

If you contribute less than the full amount, you will receive a Member Tax Credit that is proportionate to your contribution.

Who is eligible for Member Tax Credits?

The Member Tax Credit will be paid each year (around July/August) to members of a KiwiSaver scheme until you are eligible to make a retirement withdrawal, provided:

- you are 18 or over, and
- live (or normally live) in New Zealand (subject to some exceptions).

Joining Kiwisaver or turning 18 part-way through a year

If you join KiwiSaver part-way through a year (1 July to 30 June), you'll receive a Member Tax Credit based on the number of days in the year you've been a member.

Similarly, if you turn 18 during the year (1 July to 30 June), you'll receive a Member Tax Credit based on the number of days in the year that you are 18.

What happens to Member Tax Credits when I turn 65?

Once you turn 65, if you have been in KiwiSaver for more than five years your entitlement to Member Tax Credits ceases. If you have not been in KiwiSaver for five years by the time you turn 65, then your entitlement to Member Tax Credits will continue until you have been in for five years. In order to receive these Member Tax Credits in this case, you will need to contribute the required minimum of \$1,042 into your KiwiSaver account.

When are Member Tax Credits paid?

We will claim the Member Tax Credit on your behalf after 1 July each year. You do not have to do anything. Your Member Tax Credit will appear in your KiwiSaver account within a month of us having made the claim.