

## Other Material Information – Withdrawals

This document relates to the Kiwi Wealth KiwiSaver Scheme ('Scheme') and should be read in conjunction with the Scheme's Product Disclosure Statement.

In this document Kiwi Wealth Limited ('we', 'our', or 'us') provides a general overview of how withdrawals are made from the Scheme. Withdrawals are also covered in the Scheme's Product Disclosure Statement.

The information in this document could change in the future. Please check the offer register at <http://www.disclose-register.companiesoffice.govt.nz> for any updates.

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### You can generally cash in at the age of eligibility for New Zealand Superannuation<sup>1</sup>

Generally, you will not be able to withdraw your KiwiSaver savings until you reach the age you can get New Zealand Superannuation. The age of eligibility for New Zealand Superannuation is 65, but it could be changed by law. You can cash in the full value of your KiwiSaver investment when you turn 65, as long as you've been a member of a KiwiSaver scheme or a complying superannuation fund for at least five years. The date you become eligible to withdraw your savings is known as your end payment date. If you join KiwiSaver when you are 63, for example, you can cash in five years later, at age 68.

You can withdraw all of your member account balance which includes your contributions, any Government contributions, any employer contributions, and transfers from other superannuation schemes, plus or minus investment gains or losses, taxes, and fees.

You can close your account, and take out the whole amount as a lump sum. Or you can keep your account open and set up regular withdrawals to be paid to your bank account weekly, monthly, bi-monthly, quarterly or yearly (\$100 minimum), or make occasional lump-sum withdrawals (\$500 minimum). We may change the minimum withdrawal amounts and the frequency of withdrawals from time to time. Any withdrawals must be in increments of \$10, subject to the minimums stated above. If requests are received for other amounts, we will round the request to the nearest \$10.

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<sup>1</sup> There are a number of proposed legislative changes to the KiwiSaver Act 2006, which affect the five-year lock-in period, contribution rates, contributions holiday, and the ability of persons aged 65 and over to join KiwiSaver. Please see [www.kiwiwealth.co.nz/kiwisaver-changes](http://www.kiwiwealth.co.nz/kiwisaver-changes) for important information about these changes.

Because permitted withdrawals are actioned as part of the Scheme's weekly investment cycle, there may be a delay between making your application for withdrawal and receiving your funds. Withdrawal requests will normally be processed within fifteen business days (from the date of receipt of your valid withdrawal request).

If you lived away from New Zealand while you were a member of KiwiSaver, you might have to pay back some of the member tax credits to the Government. For further details please contact Inland Revenue.

If you transfer money from an Australian complying superannuation fund to your KiwiSaver member account, you might be able to withdraw that money when you turn 60.

Call 0800 427 384 or email [questions@kiwiwealth.co.nz](mailto:questions@kiwiwealth.co.nz) to request a standard withdrawal form to fill in to apply for a withdrawal.

### **You might be able to make a withdrawal earlier**

You can apply for an early withdrawal for the reasons outlined in the following table. To apply for an early withdrawal, you must provide:

- a completed application form, available from us; and
- evidence to support your application (details are on the forms).

You may not be able to withdraw the full amount in your member account. Generally you will be able to withdraw your contributions, any employer contributions and any fee subsidies you received prior to 1 April 2009. However, different kinds of withdrawals have different rules – see the table below.

For serious illness and significant financial hardship withdrawals, the Supervisor will review the application and decide whether to approve it. The Supervisor may approve a partial withdrawal, rather than the maximum allowed. To approve a withdrawal application on the grounds of significant financial hardship, the Supervisor must be reasonably satisfied that you are suffering or are likely to suffer from significant financial hardship and that reasonable alternative sources of funding have been explored and have been exhausted.

For a first home withdrawal, you can specify how much of your personal contributions and your employer contributions you want to withdraw, but you must leave \$1,000 and any funds transferred from an Australian complying superannuation scheme in your member account.

Type of withdrawal	What it means	The maximum withdrawal allowed	How to apply
Serious Illness	<p>Serious illness means an injury, illness or disability:</p> <ul style="list-style-type: none"> <li>▪ that results in you being totally and permanently unable to engage in work for which you are suited by reason of experience, education or</li> </ul>	Entire balance.	<p>Fill in a serious illness withdrawal form, available from us.</p> <p>The Supervisor will approve or decline the application.</p> <p>They may approve a partial withdrawal or the maximum amount.</p>

Type of withdrawal	What it means	The maximum withdrawal allowed	How to apply
	<p>training or any combination of those things; or</p> <ul style="list-style-type: none"> <li>▪ that poses a serious and imminent risk of death.</li> </ul>		
Significant financial hardship	<p>Significant financial hardship includes significant financial difficulties that arise because of:</p> <ul style="list-style-type: none"> <li>▪ your inability to meet minimum living expenses; or</li> <li>▪ your inability to meet mortgage repayments on your principal family residence resulting in the mortgagee seeking to enforce the mortgage on the residence; or</li> <li>▪ the cost of modifying a residence to meet special needs arising from a disability of you or of your dependant; or</li> <li>▪ the cost of medical treatment for an illness or injury of you or of your dependant; or</li> <li>▪ the cost of palliative care for you or for your dependant; or</li> </ul>	Entire balance excluding the member tax credits and the Government Kick-Start contribution (if received).	<p>Fill in a significant financial hardship withdrawal form, available from us.</p> <p>The Supervisor will approve or decline the application. They may approve a partial withdrawal or the maximum amount.</p> <p>The Supervisor must be reasonably satisfied that reasonable alternative sources of funding have been explored and exhausted.</p>

Type of withdrawal	What it means	The maximum withdrawal allowed	How to apply
	<ul style="list-style-type: none"> <li>▪ the cost of a funeral for your dependant; or</li> <li>▪ your suffering from a serious illness.</li> </ul>		
Permanent emigration to Australia	If you have permanently emigrated to Australia you can apply to transfer your KiwiSaver savings to an Australian complying superannuation scheme.	Entire balance.	<p>Fill in a permanent emigration to Australia withdrawal form, available from us.</p> <p>We will approve or decline your application.</p>
Permanent emigration to a country other than Australia	If you have moved overseas permanently to a country other than Australia, you can apply for a permanent emigration withdrawal from one year after you leave New Zealand.	Entire balance excluding the member tax credits and any funds transferred from an Australian complying superannuation scheme.	<p>Fill in a permanent emigration withdrawal form, available from us.</p> <p>We will approve or decline your application.</p>
Buying your first home	<p>If you've been a member of KiwiSaver for at least three years you might be able to withdraw some of your KiwiSaver savings to put towards buying, in New Zealand, your first home or land on which to build your first home.</p> <p>In some cases you might be able to make a first home withdrawal if you have owned a home before.</p> <p>See section 'Eligibility for First Home Withdrawal' on page 6 for more details.</p>	Entire balance excluding \$1,000 and any funds transferred from an Australian complying superannuation scheme.	<p>Fill in a first home withdrawal form, available from us.</p> <p>We will approve or decline your application.</p> <p>We may approve a partial withdrawal or the maximum amount.</p>

<p>Withdrawal to meet tax or other liability on foreign superannuation withdrawal</p>	<p>If you have transferred funds from an overseas superannuation or pension scheme into the Scheme you can apply to withdraw funds from your member account for payment of certain New Zealand income tax liabilities (but not interest or penalties) or student loan repayment obligations resulting from the transfer.</p>	<p>Entire balance excluding the member tax credits and the Government  Kick-Start contribution (if received).  However, if the maximum liability is less than the permitted withdrawal amount, you can only withdraw up to the amount of the liability.</p>	<p>Contact us for more information (as conditions apply) and to obtain a withdrawal form.  We will approve or decline your application.</p>
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We must comply with any enactment requiring us to release funds from the Scheme, including a requirement to release funds by order of any Court under any enactment (including the Property (Relationships) Act 1976).

### **If you die while you're a Kiwi Wealth KiwiSaver Scheme member**

If you die while you're a member of the Scheme we will pay the entire balance of your member account to your estate, following the rules of the Administration Act 1969. This means:

- if your member account balance is more than \$15,000, on receipt of appropriate documentation (such as death certificate, probate, letters of administration) we will make the payment when we receive an application from your personal representatives; or
- if your member account balance is \$15,000 or less and probate or letters of administration has not been obtained, we will make the payment to the relevant person who is authorised to receive the amount, without requiring the administration of your estate. In these circumstances a death certificate must be presented.

### **Can anyone else get your KiwiSaver savings?**

You are not allowed to give, sell, or lend your KiwiSaver savings to anyone else.

It is possible that we would have to pay some or all of your KiwiSaver savings to someone else in one of the following circumstances:

- Through a Court order under the Property (Relationships) Act 1976;
- Subject to relevant law, if at the time you become eligible to receive a benefit you are a minor, do not have legal capacity, or are (in our opinion) incapable of managing your own affairs, we or the Supervisor may pay the amount payable to another person for your benefit on the terms we or the Supervisor think are appropriate;

- If we have reason to believe you have committed (or you are likely to commit) an act of bankruptcy, you will forfeit entitlement to all your benefits under the Trust Deed. To the maximum extent permitted by law, we shall direct the Supervisor to hold and may direct the Supervisor to apply the benefits which would otherwise have been payable to you for the benefit of you or any of your dependants, as we think is appropriate.
- If, having made reasonable efforts, neither we nor the Supervisor are able to locate you more than five years after your KiwiSaver end payment date and you or your employer haven't contributed to your member account in the last five years, the value of your member account will be deemed to be an unpaid benefit and will be subject to section 77 of the Trustee Act 1956.

### **Eligibility for First Home Withdrawal**

Under the KiwiSaver Act 2006 you are eligible to make a withdrawal for the purpose of purchasing a first home where you have not previously made such a withdrawal from any KiwiSaver scheme, and you satisfy one of the following two criteria:

- at least three years have passed since Inland Revenue first received contributions for credit to a KiwiSaver scheme of which you are or were a member; or
- where no such contributions have been paid via Inland Revenue, you have been a member of a KiwiSaver scheme for a period of three years or more.

If you are eligible to make such a withdrawal then one of following criteria must also apply before you are entitled to make the withdrawal for the purchase of a first home (whether by yourself, or with another person):

- the home is or is intended to be your or your family's principal place of residence in New Zealand or you are purchasing land in New Zealand on which to build your first home, and you have not previously held an estate in land; or
- the home is, or is intended to be, your or your family's principal place of residence in New Zealand, or you are purchasing land in New Zealand on which to build your first home, and you are a "qualifying person" under the regulations made under the KiwiSaver Act 2006; or
- the purchase is made in the circumstances prescribed in regulations under the KiwiSaver Act 2006.

Generally you must not have previously owned a home to be eligible for a first home withdrawal.

However, you may still be a "qualifying person" and therefore eligible to make a withdrawal for the purchase of a home if Housing New Zealand notifies us that your financial position is what would be expected of a person who has never owned a home. You can find out more information on the Housing New Zealand website [www.hnzc.co.nz](http://www.hnzc.co.nz).

If you are eligible to make a first home withdrawal you may use funds withdrawn to contribute towards either the deposit on your purchase or at settlement. If you wish to use the funds for a deposit your solicitor will have to provide some specific undertakings to us about the payment of your funds. We recommend that you speak to your solicitor before you apply to make sure they are able to provide them to us.

If you make a withdrawal for the purpose of purchasing a home, the withdrawal must be paid to your solicitor. We will require from your solicitor, before payment of the withdrawal, a copy of an agreement for the sale and purchase of land showing you as the purchaser together with an undertaking, in a form required by us, relating to the nature of the agreement and application of funds to be withdrawn and returned if settlement is not completed. If you are wishing to build a new home on Maori land or purchase an interest in a dwelling house on Maori land, we will also need you to provide evidence of your right to occupy that land. We may also require other information and documentation.

You may also qualify for the KiwiSaver HomeStart grant to help with the cost of purchasing a home.

If you are purchasing an existing home the grant is \$1,000 for each year that you have been making regular contributions to a KiwiSaver scheme (to a maximum of \$5,000). The grant is doubled (up to a maximum of \$10,000) if you are purchasing a new home, buying a property off the plans or land to build a new home. You will have to contribute to KiwiSaver for a minimum period of three years to access this grant. Any KiwiSaver HomeStart grant will be payable by the New Zealand Government and not from the Kiwi Wealth KiwiSaver Scheme.

The KiwiSaver HomeStart grant is restricted by income caps and regional house price caps. For information on the applicable income and regional house price caps please visit the Housing New Zealand website at [www.hnzc.co.nz/ways-we-can-help-you-to-own-a-home/kiwisaver-homestart-grant/](http://www.hnzc.co.nz/ways-we-can-help-you-to-own-a-home/kiwisaver-homestart-grant/) and check the eligibility criteria.

### **Verification of identity**

Subject to the KiwiSaver Act 2006 you may not be permitted to make any withdrawal until we are satisfied that we have verified your identity and residential address to the standards required under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.