

Questions and Answers

Please note, the KiwiSaver kick-start removal changes announced in the budget are subject to legislation being enacted

What's changing?

The \$1,000 KiwiSaver kick-start payment is being removed for new enrolments from 2pm, Thursday 21 May 2015. People enrolling in KiwiSaver on or after 2pm, 21 May 2015 will not receive the kick-start payment.

What does this mean for existing KiwiSaver members?

Removal of the kick-start payment will not affect existing KiwiSaver members, including those already in the three month provisional period, or their current entitlements.

Will I receive the kick-start payment?

Your eligibility for the kick-start payment depends on the date you joined KiwiSaver. You will be eligible for the kick-start payment if you joined KiwiSaver before 2pm, 21 May 2015. This will be paid to your scheme provider approximately three months after you joined KiwiSaver.

What does this mean if I am not already enrolled?

If you have not already enrolled in KiwiSaver, you will not receive the kick-start payment. However, you can still join KiwiSaver by automatic enrolment, or by opting in via your employer or chosen scheme provider.

What is the process for determining kick-start entitlement?

If you joined via a Scheme Provider, we will use the date your account is opened, which is provided to Inland Revenue by your Scheme Provider.

For employer enrolments, eligibility for the kick-start will be based on your employment start date (for default enrolments) or the date you signed a KS2 (for opt-ins via employer).

If you had your first KiwiSaver deduction from your pay in June or later, and you started employment (for default enrolments) or signed a KS2 (for opt-ins via employer) before 2pm on 21 May 2015, you will need to ask your employer for written confirmation of your employment start date or the date you signed a KS2. You will then need to send this to us so that your eligibility for the kick-start can be determined and updated.

How are the changes being communicated?

The Inland Revenue and KiwiSaver websites will have a link to the proposed changes. All relevant web content will be updated as soon as possible and Inland Revenue forms, guides and publications will be updated by 30 June.

I didn't receive the kick-start payment but I think I should have. What do I do?

If you enrolled after 2pm, 21 May 2015 you are not entitled to the kick-start payment.

If you enrolled with KiwiSaver before 2pm, 21 May 2015 you're entitled to receive a kick start approximately three months after you started employment or opened your KiwiSaver account with your Scheme Provider.

If you have not received your kick-start after this three month period, and you joined directly with a Scheme Provider, you will need to talk to them to check what account opened date they gave to Inland Revenue. If that date was wrong you will need to ask them to contact Inland Revenue to provide a correct account opened date.

If you have not received your kick-start after this three month period, and you joined through your employer, you will need to seek written confirmation from your employer of your employment start date, or the date you signed a KS2 and provide this to us.

I was automatically enrolled and have just realised I'm not entitled to receive the kick-start payment – can I opt out?

The opt out rules have not changed.

I opted in via my employer or Scheme Provider because of the kick-start and have just realised I won't get it – can I leave KiwiSaver?

There may be options available to exit KiwiSaver on this basis but you will need to talk to your Scheme Provider about this.

What will happen when a member withdraws funds for their first home?

All members will be required to leave a minimum of \$1,000 in their account.

I am transferring from a complying superannuation fund – will I get a kick-start

The rules around kick-starts for members transferring from a complying superannuation fund (CSF) are not changing i.e. payment is based on the date that you transferred into a KiwiSaver scheme, not the date you joined the CSF, provided you have been a member of the CSF for at least three months before transferring to KiwiSaver. This means that if you transfer from a CSF into a KiwiSaver scheme after 2pm on 21 May 2015 you will not receive a kick-start.