

## News Release

Embargoed For Release: 5am, 5 September 2017

### **Strong support for compulsory KiwiSaver**

*Survey takes pulse of KiwiSaver after first 10 years*

A major survey of KiwiSaver has found strong support for making the savings initiative compulsory.

ANZ Investments, New Zealand's largest KiwiSaver provider, surveyed 1000 people about their knowledge and opinions of KiwiSaver. The research marks KiwiSaver's 10th anniversary and was conducted to test people's attitudes regarding possible changes to the way KiwiSaver is currently structured.

The research, carried out by UMR, found 60% of respondents supported the idea of making KiwiSaver compulsory, 33% opposed the idea and 7% were unsure. Interestingly this mirrored the proportion of respondents who are already KiwiSaver members, indicating that those who are members now view it as a critical component of their retirement savings plan.

Among those who supported making KiwiSaver compulsory, 88% said it should be compulsory to make contributions, if you are earning an income.

ANZ Managing Director of Wealth, Craig Mulholland, welcomed the findings. "ANZ believes KiwiSaver should be compulsory. While more than 2.7 million people have joined KiwiSaver since its launch in 2007, there are 375,000 working age New Zealanders who are not members."

The survey found membership of KiwiSaver is related to household income: 53% of respondents earning \$50,000 or less said they were KiwiSaver members, compared to 80% of those earning \$100,000 or more. Mr Mulholland said: "The research does raise questions about whether KiwiSaver is reaching the people who most need it."

#### **Key Points**

- 60% support making KiwiSaver compulsory, with 88% of that group also in support of compulsory contributions for wage earners
- 56% say employers should make contributions for staff on parental leave
- 35% say they have calculated how much they will have saved by age 65
- 55% support free financial health checks to ensure they are on track for retirement

ANZ is proposing that if KiwiSaver is not made compulsory then all adult non-members should be automatically enrolled (with an opt-out provision), or the Government should look at reintroducing an incentive to encourage all working-age New Zealanders to sign up.

The recommendations are contained in a white paper being released by ANZ to mark KiwiSaver's 10<sup>th</sup> anniversary. ANZ's proposals include requiring providers to offer free savings advice, and assistance for people budgeting for how to withdraw their funds after turning 65.

The need for more advice was reflected by the survey, which found a majority of people had not worked out how much they are likely to have saved by 65. The biggest single factor (37%) was that there was too much uncertainty, while 22% said it was too hard.

For media enquiries contact: Briar McCormack +64 21 280 1173