

KIWISAVER SURVEY FINDINGS

ANZ ONLINE OMNIBUS SURVEY

August 2017

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INTRODUCTION

KiwiSaver's 10th birthday is a major milestone and a cause for celebration. Enrolments have exceeded expectations and now, more than 2.7 million people are members. KiwiSaver has helped thousands of people grow their retirement savings, buy their first home and learn more about investment markets.

Over the past 10 years, KiwiSaver has continued to evolve, and so have people's interactions with it. While there's much to applaud, there are still many challenges for the industry to tackle. Around 375,000 working-age New Zealanders have still not signed up to KiwiSaver. Many of those who have enrolled are not contributing enough to receive the government's maximum member tax credit every year, and some are not contributing anything at all. Some have not chosen a fund that will help them reach their retirement goals. And there also continues to be a savings gap between men and women.

To further understand these challenges and identify opportunities for improvement, ANZ Investments used this milestone as a chance to reflect. To do this, we worked with UMR Research to survey 1,000 people to test their attitudes regarding possible changes to the way KiwiSaver is currently structured. Key points include:

- 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 Investments has reflected these findings in our latest report 'Dollars and Sense: A Decade of KiwiSaver'. The report highlights our recommendations to ensure the KiwiSaver initiative continues to support New Zealanders' retirement outcomes and will aim to drive continued discussion in the industry.

A full list of our recommendations from this report is detailed in this document.

OUR RECOMMENDATIONS

ANZ Investments' 'Dollars and Sense: A Decade of KiwiSaver' report highlights our key recommendations on how to ensure the KiwiSaver initiative continues to support New Zealanders' retirement outcomes. Our recommendations reflect trends we've identified in our internal insights and ongoing industry research, and align with the results in the omnibus survey.

CHAPTER ONE:

THE EVOLUTION OF KIWISAVER – FROM MAKING TO MAINSTREAM

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| 1 | KiwiSaver membership should be compulsory, in recognition of its role as the third pillar of New Zealand's retirement savings framework. |
| 2 | In the absence of compulsory membership, all those not currently enrolled in KiwiSaver should be automatically enrolled (with an opt-out provision) to capture those who are self-employed, contractors or unemployed. |
| 3 | Ongoing government incentives are necessary to maintain trust in KiwiSaver and ensure its success. In particular: <ul style="list-style-type: none">– So long as contributions remain voluntary, the member tax credits should not be withdrawn.– In the absence of compulsory membership or auto-enrolment, an incentive to join should be reintroduced to entice those joining the workforce. |
| 4 | Members under the age of 18 who are working and contributing should be entitled to the same benefits as other employees, including the government's annual member tax credit and employer contributions. |

CHAPTER TWO:

FINANCIAL EDUCATION ON THE RISE

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|----------|--|
| 1 | There should continue to be one government agency tasked with the job of developing a comprehensive, well-designed, well-directed and well-delivered financial and investment education programme. |
| 2 | To support this, KiwiSaver providers should be required to deliver financial education materials and tools to their members. This should include prompts to make the most of incentives, particularly annual member tax credits. |
| 3 | The government should provide parameters for the development of financial education materials, tools and calculators to ensure consistency in the assumptions of providers and avoid duplication or confusion. |
| 4 | Efforts to raise financial capability should initially be targeted at groups most in need of support and resources. These include default and non-contributing members, women and those 10 to 15 years out from retirement. To do this: <ul style="list-style-type: none">– Centralised, government-funded financial capability initiatives should be easily accessible to these segments.– KiwiSaver providers should distribute targeted communications and educational materials recognising, and addressing, the needs of these segments. |
| 5 | KiwiSaver members don't just care about returns, they also care about where their money is invested. As such, all KiwiSaver providers should have a clear stance with regards to responsible investing. This should be clearly articulated, regularly reviewed and easy for investors to access and understand. |
| 6 | All default funds' risk profiles should be more balanced or follow a life stage model (one with higher exposure to growth assets early on, then reducing over time) rather than conservative. This will provide better long-term outcomes to those default members who may be hard to reach or choose not to make active choices about their fund. |

CHAPTER THREE:

GROWING RETIREMENT SAVINGS THROUGH THE POWER OF RETURNS

| | |
|---|---|
| 1 | KiwiSaver fees should not be prescriptively regulated in recognition that providers manage investments differently and offer varying levels of services and tools. |
| 2 | KiwiSaver providers need to continue to work with the government to increase transparency around fees through increased disclosures. More effort also needs to be made to educate members about their returns after fees. |
| 3 | Industry and media commentators should play a bigger role in promoting educated debate around investments as people's interest in the topic grows. Topics could include switching considerations, volatility and differences between active and passive investment management approaches. |

CHAPTER FOUR:

ARE WE SAVING FOR A HOUSE OR RETIREMENT?

| | |
|---|---|
| 1 | Recognising that home ownership plays an important part in retirement planning, KiwiSaver should continue to provide a mechanism for members to withdraw their savings to fund a first home. First home buyers should also investigate whether they're eligible for Housing New Zealand's KiwiSaver HomeStart grant, which will give them additional funds towards their first home. |
| 2 | KiwiSaver providers should offer home buyers educational material and free guidance on the various stages of the home buying journey and what it means for their retirement. This includes educating members on various fund options available to save for their deposit, the process for making a first home withdrawal and their options to regrow their retirement nest-egg after their withdrawal. |
| 3 | KiwiSaver providers should proactively check in with members one year after their first home withdrawal. This interaction should be used to encourage members to seek tailored advice on contribution rates and fund choice to track progress towards retirement. |
| 4 | Government should centralise research efforts to provide New Zealanders with guidelines on the likely housing-related costs people may expect in retirement (for both renters and home owners). This will help people plan for a potential mismatch between their retirement income and expectations, and ensure providers and advisers are basing their retirement income recommendations on consistent assumptions. |

CHAPTER FIVE:

THE CHALLENGE OF AFFORDABILITY

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|---|--|
| 1 | As proposed by the Commission for Financial Capability, a series of changes should be made to the current 'contributions holiday' facility, including: <ul style="list-style-type: none">– Changing the name from the alluring 'holiday' to the more realistic 'savings suspension'– Reducing the maximum length to one year, thus requiring members to reapply annually. |
| 2 | Inland Revenue should introduce an option for members' individual employee contributions to automatically increase by small increments (e.g. by 0.25%, 0.5% or 1%) up to a capped maximum rate, so members can feel confident their savings will increase over time. |
| 3 | Equally, some people might prefer to reduce their contributions when money is tight, rather than stop contributing to KiwiSaver altogether. Inland Revenue should therefore introduce options for members to reduce their contributions by small increments (e.g. by 0.25%, 0.5% or 1%) for a set period. |
| 4 | A centralised agency, like Work & Income New Zealand, should coordinate hardship pre-assessments to maintain consistency industry-wide and ensure all avenues of support are explored. With more and more people drawing on their KiwiSaver savings to support them in financial hardship, it's essential the industry has a streamlined process in place to ease the experience on stressed applicants. |

CHAPTER SIX:

ARE WOMEN BEING LEFT BEHIND?

| | |
|---|--|
| 1 | KiwiSaver providers should ensure women have access to the tools, information and resources they need to make informed decisions about their fund type and contribution level. This all needs to be readily available through the channel of their choice, at whatever time is convenient to them and in language that is relatable and easy to understand. |
| 2 | KiwiSaver providers should encourage their female members to seek personalised advice to help them identify retirement goals and set a plan to achieve them. |
| 3 | Organisations such as the Commission for Financial Capability, the Financial Services Council and Women in Super should continue to facilitate ongoing discussion with the industry around the unique challenges women face, and tactics to address these. In particular, they should facilitate debate on women's retirement savings needs, increasing financial capability and decision making, and promote education and training support where possible. |
| 4 | Employers should consider ways to help new parents save for their retirement. ANZ was the first large corporate to maintain KiwiSaver employer contributions for staff taking parental leave, regardless of gender. |

CHAPTER SEVEN:

RETIREMENT REALITY CHECK – ARE WE ON TRACK?

| | |
|---|--|
| 1 | KiwiSaver providers should supply members with tools to calculate how much they should be saving, based on what they are likely to spend in retirement. |
| 2 | As KiwiSaver providers look to include projected retirement savings and retirement income in annual KiwiSaver statements, the government should work closely with the industry to provide guidelines around calculations. |
| 3 | KiwiSaver providers should grant a free service to investors at age 40 to help them identify their retirement savings and income needs, and to plan accordingly. A 'check-up' should also take place at age 55 to ensure they are on track to meeting their financial goals. |
| 4 | As recommended by the Commission for Financial Capability, the minimum contribution rates should be raised in an effort to increase KiwiSaver account balances in the long term. |
| 5 | Inland Revenue should add in more flexible employee contribution rates, increasing in 1% increments, to give members more flexibility and control over their savings. As recommended by the Commission for Financial Capability, at a minimum, 6% and 10% employee contribution rates should be implemented. |

CHAPTER EIGHT:

RETIREMENT FOR AN AGEING POPULATION

| | |
|---|---|
| 1 | NZ Super should remain a universal benefit as most New Zealanders are counting on it to help them fund retirement. |
| 2 | The age at which people can access NZ Super should increase, in line with the government's proposal and in recognition of increased longevity. |
| 3 | Any proposed changes to the age at which people can access NZ Super need to give those affected sufficient time to prepare, and should be accompanied by clear, centralised government-sponsored efforts to increase awareness of the need for personal accountability (e.g. through vehicles such as KiwiSaver). |
| 4 | People should be allowed to join KiwiSaver after 65, as it remains a useful, cost-effective and well-regulated investment option for all New Zealanders. |
| 5 | Employers should be required to make contributions on behalf of their employees, irrespective of their age. |

CHAPTER NINE:

DECUMULATION – THE MISSING PIECE OF THE PUZZLE

| | |
|----------|---|
| 1 | KiwiSaver providers should encourage members approaching retirement to set a plan to decumulate their savings. Members not comfortable with DIY tools should seek advice to ensure they are planning correctly for retirement spending and are aware of how to draw an income from all their financial assets (i.e. not just their KiwiSaver savings). |
| 2 | KiwiSaver providers should provide members aged 65 with a set of options to help them regularly draw down on their KiwiSaver savings. If the 'rules of thumb' developed by the New Zealand Society of Actuaries are adopted, the regular withdrawal facility could also help facilitate the implementation of some of them. |
| 3 | KiwiSaver providers should provide members aged 65 with access to free advice on ways to invest their 'unlocked' funds. |
| 4 | The government and financial services industry should work together to enhance the financial capability of New Zealanders receiving NZ Super. This could be in the form of a comprehensive information pack that accompanies SuperGold cards, with directories on where to access financial advice, and a range of investment and decumulation options available to them. |

CHAPTER TEN:

GLOBAL LEARNINGS

| | |
|----------|--|
| 1 | To keep things simple for retirement-planning purposes, there should continue to be only one age at which New Zealanders can access their KiwiSaver savings, irrespective of their demographics or working arrangements. |
| 2 | The ages at which New Zealanders can access their KiwiSaver savings and NZ Super should be decoupled. This will provide New Zealanders with certainty around when they will access their KiwiSaver savings. |
| 3 | New Zealanders should not be able to join more than one KiwiSaver scheme at a time, to avoid the 'lost super' problem experienced in Australia. New Zealanders can still benefit from diversification of assets and investment management styles by spreading any additional savings among providers with 'unlocked' investment options. |
| 4 | As the industry prepares to welcome robo-advice, KiwiSaver providers should continue to develop digital tools to help members plan, accumulate and decumulate. |
| 5 | Government should provide some guidance around assumptions and parameters regarding robo-advice to make sure there is some level of consistency in the provision of mass-scale advice. |
| 6 | Government bodies, like the Commission for Financial Capability and Financial Markets Authority, should continually interact with dedicated university research centres, to identify 'best practice' among our global peers and share these findings with KiwiSaver providers. |

SURVEY METHODOLOGY

This research is based on the UMR online omnibus survey of a nationally representative sample of n=1000.

Fieldwork was conducted from the 31st July to the 8th of August 2017.

The margin of error for a sample of 1000 at a 50% figure with 95% confidence is plus or minus 3.1%.

SURVEY SUMMARY

| Question | Response | % | Sample |
|--|-----------------------|------------|--|
| How important are the issues around KiwiSaver and saving for retirement in deciding your vote in the upcoming election? | Important | 38% | All (n=1,000) |
| Are you a member of KiwiSaver? | Yes | 66% | All (n=1,000) |
| How much do you know about KiwiSaver? | A lot + A fair amount | 70% | All (n=1,000) |
| Should joining KiwiSaver be compulsory? | Yes | 60% | Members+ knowledgeable (n=971) |
| Should it also be compulsory to contribute to KiwiSaver if you are earning an income? | Yes | 88% | Think joining should be compulsory (n=580) |
| How much do you know about the industry sectors your KiwiSaver provider makes investments in or what their views are on various sectors? | A lot + A fair amount | 27% | KiwiSaver members (n=663) |
| Should personal contributions be automatically increased for those who have withdrawn funds from the KiwiSaver account for their first home so that they can rebuild their balance faster? | Yes | 15% | Members+ knowledgeable (n=971) |
| Should people also be allowed to withdraw funds from their KiwiSaver accounts to help buy subsequent homes? | Yes | 32% | Members+ knowledgeable (n=971) |
| Should COMPANIES have to continue making employer contributions to staff on maternity and parental leave? | Yes | 56% | Members+ knowledgeable (n=971) |
| Have you worked out what your KiwiSaver and other savings are likely to amount to by the time you are 65? | Yes | 35% | Under 65 (n=720) |
| How confident are you about the reliability of your estimated amount? | Confident | 54% | Estimated their savings (n=254) |
| Should it be compulsory for KiwiSaver providers to give members free 'financial health checks' to see if they are on track for their future retirement at key points in their lives? | Yes | 55% | Members+ knowledgeable (n=971) |
| Should those earning below the average wage get additional tax benefits from the government to increase their regular contributions? | Yes | 57% | Members+ knowledgeable (n=971) |
| Should KiwiSaver members aged 65 or over be eligible for GOVERNMENT contributions (e.g. member tax credits) even though they receive regular NZ Superannuation payments? | Yes | 43% | Members+ knowledgeable (n=971) |
| Should COMPANIES be obliged to pay employer contributions to KiwiSaver for employees aged 65 and over? | Yes | 61% | Members+ knowledgeable (n=971) |

SURVEY RESULTS

1. IMPORTANCE

38% said the issues around KiwiSaver and saving for retirement was important (1+2, on a 1-5 scale) in deciding their vote in the upcoming election.

- 43% of KiwiSaver members said it was important, compared to 27% of non-members.
- 42% of full time workers rated as important, compared to 34% of others.

ELECTION ISSUE

On a scale of 1-5 where 1 is very important and 5 is not important at all, how important are the issues around KiwiSaver and saving for retirement in deciding your vote in the upcoming election?

| | Total % |
|----------------------------|-----------|
| 1 – Very important | 19 |
| 2 | 19 |
| Important (1-2) | 38 |
| 3 | 28 |
| 4 | 17 |
| 5 – Not important at all | 17 |
| Not important (4-5) | 34 |

Base: All respondents (n=1,000)

2. MEMBERSHIP

Two-thirds of respondents said they were a member of KiwiSaver.

- Unsurprisingly membership was lower for people 65 and over (32%)
- Membership was related to household income: 53% of those earning \$50,000 or less compared to 80% earning \$100,000 or more.

MEMBERSHIP

| Are you a member of KiwiSaver? | Total % |
|--------------------------------|---------|
| Yes | 66 |
| No | 33 |
| Unsure | 1 |

Base: All respondents (n=1,000)

3. KNOWLEDGE

70% of respondents said they know 'a lot' or 'a fair amount' about KiwiSaver.

- 62% of those under 35, compared to 78% of those 65 and over
- Respondents in Auckland (75%) and Wellington (78%) claimed higher knowledge than the rest of the country (64%).
- Males, high income earners, people with higher formal education, full-time workers were all more likely to claim higher knowledge.
- 72% of KiwiSaver members declared 'a lot' or 'a fair amount' of knowledge, compared to 64% of non-members.

KNOWLEDGE OF KIWISAVER

| How much do you know about KiwiSaver? | |
|--|-----------|
| | Total % |
| A lot | 15 |
| A fair amount | 55 |
| A lot + A fair amount | 70 |
| Not that much | 25 |
| Hardly anything | 5 |
| Not that much + Hardly anything | 30 |

Base: All respondents (n=1,000)

4. COMPULSORY KIWISAVER

60% of respondents said they think joining KiwiSaver should be compulsory.

- This was higher amongst older respondents: 48% of those under 35, compared to 74% of those 65 and over.
- Those living in rural areas were less likely to say yes (48%), compared to their counterparts (62%).
- 66% of KiwiSaver members said yes compared to 45% of non-members, and 70% of members with at least 'a fair amount' of knowledge about KiwiSaver.
- 75% of those who think retirement savings is an important election issue said they think it should be compulsory

COMPULSORY KIWISAVER

| Should joining KiwiSaver be compulsory? | |
|---|---------|
| | Total % |
| Yes | 60 |
| No | 33 |
| Unsure | 7 |

Base: KiwiSaver members or people with knowledge of KiwiSaver (n=971)

5. COMPULSORY CONTRIBUTIONS

Of those who thinking joining should be compulsory 88% said they think contributions should also be compulsory. Of the total population that is 53% think contributing should be compulsory.

COMPULSORY CONTRIBUTIONS

| Should it also be compulsory to contribute to KiwiSaver if you are earning an income? | |
|---|---------|
| | Total % |
| Yes | 88 |
| No | 9 |
| Unsure | 3 |

Base: Those who think joining should be compulsory (n=580)

6. KNOWLEDGE OF PROVIDERS INVESTMENTS

27% of KiwiSaver members said they know 'a lot' or 'a fair amount' about the industry sectors their KiwiSaver provider makes investments in.

- Males, Wellingtonians, high income earners, full-time workers tended to declare higher levels of knowledge.

KNOWLEDGE OF PROVIDERS INVESTMENTS

| How much do you know about the industry sectors your KiwiSaver provider makes investments in or what their views are on various sectors (e.g. tobacco, weapons, fossil fuels etc.)? | |
|---|-----------|
| | Total % |
| A lot | 5 |
| A fair amount | 22 |
| A lot + A fair amount | 27 |
| Not that much | 48 |
| Hardly anything | 25 |
| Not that much + Hardly anything | 73 |

Base: KiwiSaver members (n=663)

7. AUTOMATIC INCREASE TO CONTRIBUTIONS

15% of respondents said they think personal contributions be automatically increased for those who have withdrawn funds from the KiwiSaver account for their first home so that they can rebuild their balance faster.

- KiwiSaver members were less likely to agree with this (13%) than non-members (20%).
- Those who think retirement savings is an important election issue were more likely (19%) than their counterparts (12%).

AUTOMATIC INCREASE TO CONTRIBUTIONS AFTER BUYING A FIRST HOME

Should personal contributions be automatically increased for those who have withdrawn funds from the KiwiSaver account for their first home so that they can rebuild their balance faster?

| | Total % |
|--------|---------|
| Yes | 15 |
| No | 67 |
| Unsure | 18 |

Base: KiwiSaver members or people with knowledge of KiwiSaver (n=971)

8. WITHDRAWING FOR SUBSEQUENT HOMES

A third (32%) of respondents said people would be allowed to withdraw funds from their KiwiSaver accounts to help buy subsequent homes.

- Younger respondents were more likely to agree (under 35: 47%) than older respondents (35-49: 34%, 55+: 22%).
- Renters were more likely to agree (38%) than those who own their home freehold (25%).

SUBSEQUENT HOMES

Should people also be allowed to withdraw funds from their KiwiSaver accounts to help buy subsequent homes?

| | Total % |
|--------|---------|
| Yes | 32 |
| No | 58 |
| Unsure | 10 |

Base: KiwiSaver members or people with knowledge of KiwiSaver (n=971)

9. PARENTAL LEAVE

Over a half (56%) said they think companies should have to continue making employer contributions to staff on maternity and parental leave.

- Younger respondents were more likely to agree (under 35: 73%).
- Renters were more likely to agree (70%) than those who own their home freehold (45%).
- This was a small difference between those with dependent children (60%) and those without (55%).

MATERNITY AND PARENTAL LEAVE

| Should COMPANIES have to continue making employer contributions to staff on maternity and parental leave? | |
|---|---------|
| | Total % |
| Yes | 56 |
| No | 36 |
| Unsure | 8 |

Base: KiwiSaver members or people with knowledge of KiwiSaver (n=971)

10. CALCULATED SAVINGS

35% of those under 65 said they have worked out what their KiwiSaver and other savings are likely to amount to by the time they are 65.

- Amongst those 18-34 it was 26%, 35-49 it was 30% and amongst those 50-64, 50% have worked it out.
- 37% of KiwiSaver members have estimated their likely savings.

CALCULATED SAVINGS

| Have you worked out what your KiwiSaver and other savings are likely to amount to by the time you are 65? | |
|---|---------|
| | Total % |
| Yes | 35 |
| No | 63 |
| Unsure | 2 |

Base: Respondents under 65 (n=720)

11. CONFIDENCE IN CALCULATIONS

Amongst those who said they had estimated their savings, 54% said they were confident in their estimate.

- Amongst those 18-49 years old, 44% were confident and amongst those 50-64, 65% said they were confident.

CONFIDENCE IN CALCULATIONS

| On a 1-5 scale where 1 very confident and 5 not confident at all, how confident are you about the reliability of your estimated amount? | |
|---|-----------|
| | Total % |
| 1 - Very confident | 20 |
| 2 | 34 |
| Confident (1-2) | 54 |
| 3 | 29 |
| 4 | 9 |
| 5 - Not important at all | 7 |
| Not confident (4-5) | 16 |
| Unsure | 1 |

Base: respondents under 65 who have estimated their savings (n=254)

12. REASONS FOR NOT WORKING OUT SAVINGS

Amongst those who are under 65 and who have not worked out their savings, 35% said it was because there is too much uncertainty, 27% said they did not feel like they need to, 24% indicated they don't care and 22% said it is too hard or they do not know how to.

REASONS FOR NOT WORKING OUT SAVINGS

| What are the main reasons you have not worked out what your saving are likely to amount to? | |
|---|---------|
| | Total % |
| Too much uncertainty | 35 |
| I don't feel like I need to | 27 |
| Don't care | 24 |
| It is too hard / I don't know how to | 22 |
| I'm too young | 14 |
| Don't have KiwiSaver | 3 |
| Unemployed | 2 |
| Need the money now | 1 |
| Have no savings | 1 |
| Haven't had time to | 1 |
| Will use savings to buy a house | 1 |

Base: Respondents under 65 who have NOT worked out their savings (n=452)

Note: respondents could give up to two answers

13. FINANCIAL HEALTH CHECKS

55% of respondents said they think it should be compulsory for KiwiSaver providers to give members free 'financial health checks' to see if they are on track for their future retirement at key points in their lives.

- Younger were more likely to agree (under 35: 63%).
- Freehold homeowners were less likely to agree (47%).
- KiwiSaver members were more likely to agree (60%).

FINANCIAL HEALTH CHECKS

Should it be compulsory for KiwiSaver providers to give members free 'financial health checks' to see if they are on track for their future retirement at key points in their lives? (e.g. at 40, 50, 60 years of age)

| | Total % |
|--------|----------------|
| Yes | 55 |
| No | 33 |
| Unsure | 12 |

Base: KiwiSaver members or people with knowledge of KiwiSaver (n=971)

14. ADDITIONAL TAX BENEFITS

57% of respondents said they think those earning below the average wage should get additional tax benefits from the government to increase their regular contributions.

- Household income was directly related. 72% of those in households earning less than \$50,000 a year compared to 50% of those earning \$100,000 or more.
- 63% of those who see retirement savings as an important issue said they think there should be tax benefits.
- There was no statistically significant difference between members (58%) and non-members (56%).

ADDITIONAL TAX BENEFITS FOR THOSE BELOW THE AVERAGE WAGE

Should those earning below the average wage get additional tax benefits from the government to increase their regular contributions?

| | Total % |
|--------|----------------|
| Yes | 57 |
| No | 32 |
| Unsure | 11 |

Base: KiwiSaver members or people with knowledge of KiwiSaver (n=971)

15. GOVERNMENT CONTRIBUTIONS FOR PEOPLE AGED 65 AND OVER

About two fifths (43%) of respondents said they think KiwiSaver members aged 65 or over be eligible for government contributions even though they receive regular NZ Superannuation payments?

- There were no significant differences amongst the different age groups but there was a small tendency for younger respondents to agree.

GOVERNMENT CONTRIBUTIONS FOR KIWISAVER MEMBERS AGED 65 OR OVER

At the moment, KiwiSaver members aged 65 or over are not eligible for government contributions and, if they are still working, their employers are not obliged to pay their employer contributions.

Should KiwiSaver members aged 65 or over be eligible for GOVERNMENT contributions (e.g. member tax credits) even though they receive regular NZ Superannuation payments?

| | Total % |
|--------|----------------|
| Yes | 43 |
| No | 47 |
| Unsure | 10 |

Base: KiwiSaver members or people with knowledge of KiwiSaver (n=971)

16. COMPANY CONTRIBUTIONS FOR PEOPLE AGED 65 AND OVER

About three fifths (61%) of respondents said they think companies should be obliged to pay employer contributions to KiwiSaver for employees aged 65 and over.

- There were no significant differences amongst the different age groups but there was a small tendency for younger respondents to agree.

COMPANY CONTRIBUTIONS FOR KIWISAVER MEMBERS AGED 65 OR OVER

Should COMPANIES be obliged to pay employer contributions to KiwiSaver for employees aged 65 and over?

| | Total % |
|--------|----------------|
| Yes | 61 |
| No | 32 |
| Unsure | 7 |

Base: KiwiSaver members or people with knowledge of KiwiSaver (n=971)

17. BEST WAY TO ACCESS KIWISAVER FUNDS

28% of respondents said they think getting paid in a lump sum is the best way to access KiwiSaver funds, 19% via instalments and 42% said part lump sum, part in instalments.

BEST WAY TO ACCESS KIWISAVER FUNDS

When a person retires, which of the following ways do you think is generally the best for someone to access their KiwiSaver funds?

| | Total % |
|---|---------|
| Paid in a lump sum | 28 |
| Paid in instalments | 19 |
| Paid Part in lump sum and part in instalments | 42 |
| Unsure | 11 |

Base: KiwiSaver members or people with knowledge of KiwiSaver (n=971)

18. LIKELY WAY TO ACCESS KIWISAVER FUNDS

35% of those KiwiSaver members under 65 said they would likely get access via lump sums, 26% via instalments and 31% said part lump sum, part in instalments.

LIKELY WAY TO ACCESS KIWISAVER FUNDS

Regardless of what you think is generally the best way, when you retire, what do you think is the most likely way you will access your KiwiSaver funds?

| | Total % |
|--|---------|
| In a lump sum | 35 |
| In instalments | 26 |
| Part in lump sum and part in instalments | 31 |
| Unsure | 8 |

Base: KiwiSaver members under 65 years old (n=551)

19. OPTIONS FOR WHEN FUNDS ARE UNLOCKED

29% said they would prefer when their KiwiSaver funds are unlocked, their KiwiSaver provider would give them a set of regular withdrawal amount options to choose between.

62% would prefer KiwiSaver providers give access to free professional advice on withdrawal options tailored to personal needs and circumstances

OPTIONS FOR WHEN KIWISAVER FUNDS ARE UNLOCKED

| When KiwiSaver funds become unlocked, what would be your preferred option? | |
|--|---------|
| | Total % |
| KiwiSaver providers give you a set of regular withdrawal amount options for you to choose between | 29 |
| KiwiSaver providers give you access to free professional advice on withdrawal options tailored to your needs and circumstances | 62 |
| Unsure | 9 |

Base: KiwiSaver members or people with knowledge of KiwiSaver (n=971)

20. PREFERRED WAY TO ACCESS ADVICE ABOUT RETIREMENT SAVINGS

A third (34%) would prefer to get retirement savings advice from a person while 31% would prefer a sophisticated online calculator (whether alone or with someone helping).

18% said they would prefer just online tools and 16% would prefer to do it themselves.

- KiwiSaver members with not that much or hardly any knowledge of KiwiSaver were more likely to want to have advice from a person (47%)

PREFERRED WAY TO ACCESS ADVICE ABOUT RETIREMENT SAVINGS

| How would you prefer to access advice about your retirement savings based on your financial needs? | |
|---|---------|
| | Total % |
| By a person | 34 |
| By a sophisticated online calculator using artificial intelligence (AI) which assesses your financial position and provides advice on options | 13 |
| The same sophisticated calculator with a person helping to explain how to use it and interpret the results | 18 |
| Online tools | 18 |
| No advice, I'd prefer to do it myself | 16 |
| Other (please specify) | 2 |

Base: KiwiSaver members or people with knowledge of KiwiSaver (n=971)