

Media Release

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KiwiSaver members miss out on \$400 million of “free money”

ANZ Investments is suggesting KiwiSaver members set up direct debits to their KiwiSaver funds after estimating thousands of members missed out on around \$400 million of Member Tax Credits from the Government in the last year.

Each year, the Government will provide up to \$521 as a Member Tax Credit to every KiwiSaver member who contributes a minimum \$1042 in the year to June 30.

ANZ Wealth New Zealand managing director John Body said it was great to see more people taking advantage of this benefit but many people were still missing out because they did not contribute enough during the year.

“Our analysis indicates that 56% of possible Member Tax Credits were paid out in the 2014 financial year, up from an estimated 50% in the prior year.

“Based on this, KiwiSaver members nationally missed out on an estimated \$400 million that could have been claimed if they had contributed the minimum amount,” said Mr Body.

“It’s great to see more KiwiSaver members making the most of this benefit, but there’s still a fair way to go before everyone gets what they’re entitled to.

“This year, ANZ Investments contacted our KiwiSaver members to remind them of the benefit. We found that many people didn’t know they were entitled to this and were keen to contribute more in a lump sum in order to claim the benefit.

“In total, members of our three KiwiSaver schemes made \$24 million of additional voluntary contributions following our campaign between May and July. This meant that our members received \$33 million more in Member Tax Credits this year.

“Members actually called to thank us for reminding them – in a number of cases, they had taken a contributions holiday but moved to top up their contributions for the year so they received the benefit.”

Mr Body advised KiwiSaver members to set up a direct debit to ensure they contributed enough to qualify for the Member Tax Credits next year: “We suggest members call their KiwiSaver provider and consider setting up a direct debit.

“It’s a lot easier for people to contribute \$20 a week than find \$1000 at short notice. In return, you get 50 cents for every \$1 you contribute up to \$1042 which is going to help you reach your retirement savings goal sooner.”

For media enquiries contact:

Louise Nicholson, Corporate Affairs – Wealth
+64 9 2526289 or +64 27 4959366

Louise.nicholson@anz.com