

The Dentons logo, consisting of the word "DENTONS" in a bold, sans-serif font, enclosed within a white chevron shape pointing to the right. This logo is positioned on a solid purple background that occupies the upper left portion of the page.

DENTONS

Superannuation in New Zealand

Grow | Protect | Operate | Finance

December 2023

Superannuation in New Zealand



2 partners

6 professionals

Specialists in:

KiwiSaver

Superannuation Schemes

Workplace Savings Schemes



Dentons has a highly recommended financial services team with expertise in managed funds, superannuation and advising offshore funds in relation to New Zealand investments.

— Financial Services, Chambers and Partners
Asia Pacific, 2023

Ranked with:



Key points about superannuation in New Zealand



A government-funded superannuation entitlement is available to most persons living in New Zealand provided they meet the eligibility requirements below.



Individuals can choose to supplement their entitlement through private superannuation schemes and/or voluntary retirement savings scheme KiwiSaver.



If an employee is contributing to their KiwiSaver scheme, their employer is required to contribute at least 3% of the employee's gross salary or wages.

The detail

Government-funded superannuation

To meet the main requirements to receive a government-funded superannuation entitlement, an applicant must:

- be 65 years of age or over
- be a New Zealand citizen, permanent resident or hold a residence class visa
- be ordinarily resident in New Zealand at the time of the application
- have resided in New Zealand for 10 years or more (from July 2024 gradually increasing year on year to 20 years) depending on the applicant's date of birth, and subject to offset against any foreign pension entitlements, since attaining the age of 20 years¹
- have resided in New Zealand, the Cook Islands, Niue or Tokelau for 5 years or more since attaining the age of 50 years.

A separate fund, the New Zealand Superannuation Fund, assists funding the pension obligation through Government contributions. The fund is managed and administered by a Crown entity known as the Guardians of New Zealand Superannuation.

Private superannuation

At present, there is no compulsory scheme for retirement savings in New Zealand.

Some employers establish or support staff superannuation schemes to provide retirement benefits to their employees. Employees who are not members of such schemes are able to make their own provision for retirement through a myriad of private savings products and retail superannuation schemes.

To offer a private scheme to retail clients the scheme must be registered with the Financial Markets Authority.

KiwiSaver

KiwiSaver is a voluntary retirement savings regime.

The scheme involves the automatic enrolment of new employees in one of a limited number of approved schemes (called default schemes), with an ability for those employees to 'opt out' within a limited period following commencement of their new employment, and the ability for existing employees and others to 'opt in'.

Anyone eligible to join KiwiSaver is entitled to join any one of a number of KiwiSaver schemes by making an active choice of scheme, including a default scheme.

Employees who are KiwiSaver members currently have to contribute at least 3% of gross salary or wages, but may contribute more at 4%, 6%, 8%, or 10% levels.

Employers are currently required to make a minimum contribution of 3% of gross salary or wages for each of their employees who are KiwiSaver members.

KiwiSaver members who are not employees do not have any fixed level of required contribution.

Savings are generally locked in to KiwiSaver until the member reaches 65 years of age. KiwiSaver members are generally free to move their savings from one KiwiSaver scheme to another at any time, but may only be a member of one scheme at a time.

Contributions and investment returns are taxed but retirement income is not.

¹ This residence criteria for New Zealand Superannuation and Veteran's Pension is in effect from July 2024, as provided by the New Zealand Superannuation and Retirement Income (Fair Residency) Amendment Act 2021. Prior to July 2024 the requirement is 10 years residence in New Zealand.

How we can help you

Dentons' Banking and Financial Markets team has extensive experience in all aspects concerning superannuation and KiwiSaver schemes in New Zealand. We are committed to providing practical advice to assist your business in relation to any of the above schemes.

We can advise both trustees and administrators of workplace savings schemes and managers of KiwiSaver schemes on:

- regulatory compliance obligations
- scheme administration
- disclosure issues.

Contact



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