



Retirement Commission

*Whiriwhiria!*

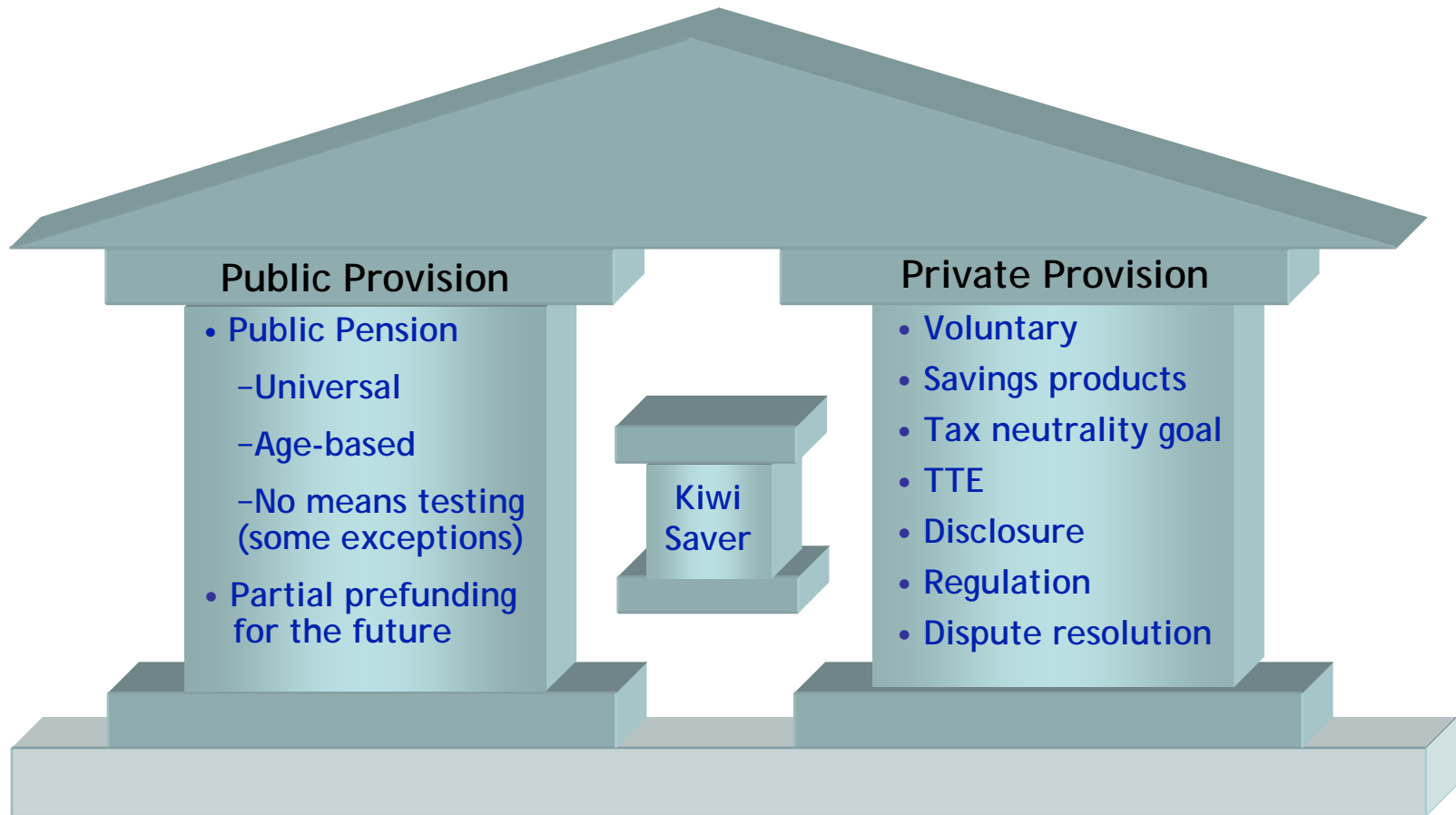
# Financial Education Update



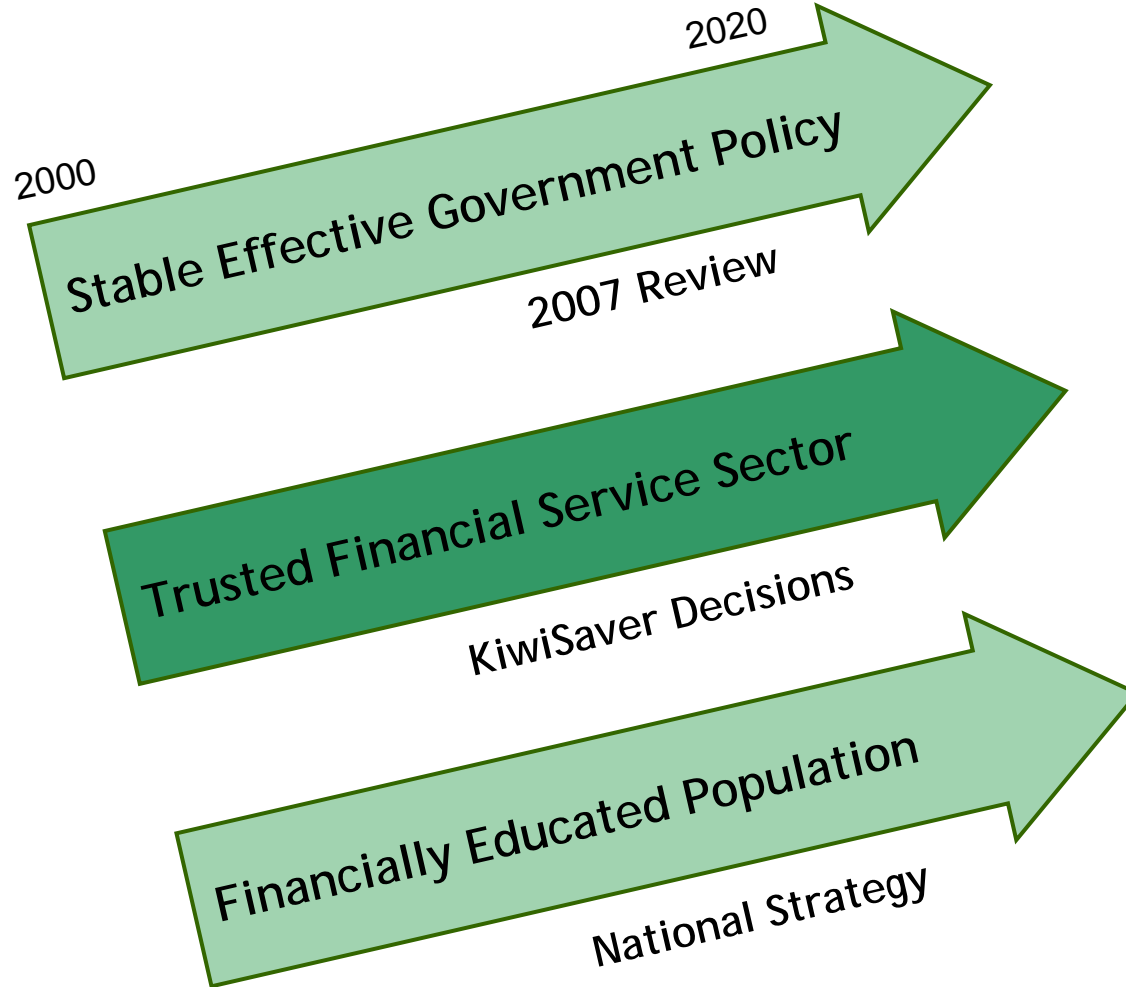
DIANA CROSSAN  
Retirement Commissioner

19 March 2008  
9<sup>th</sup> Annual SuperFunds Summit

# New Zealand Retirement Income Structure



# New Zealand Retirement Income Framework

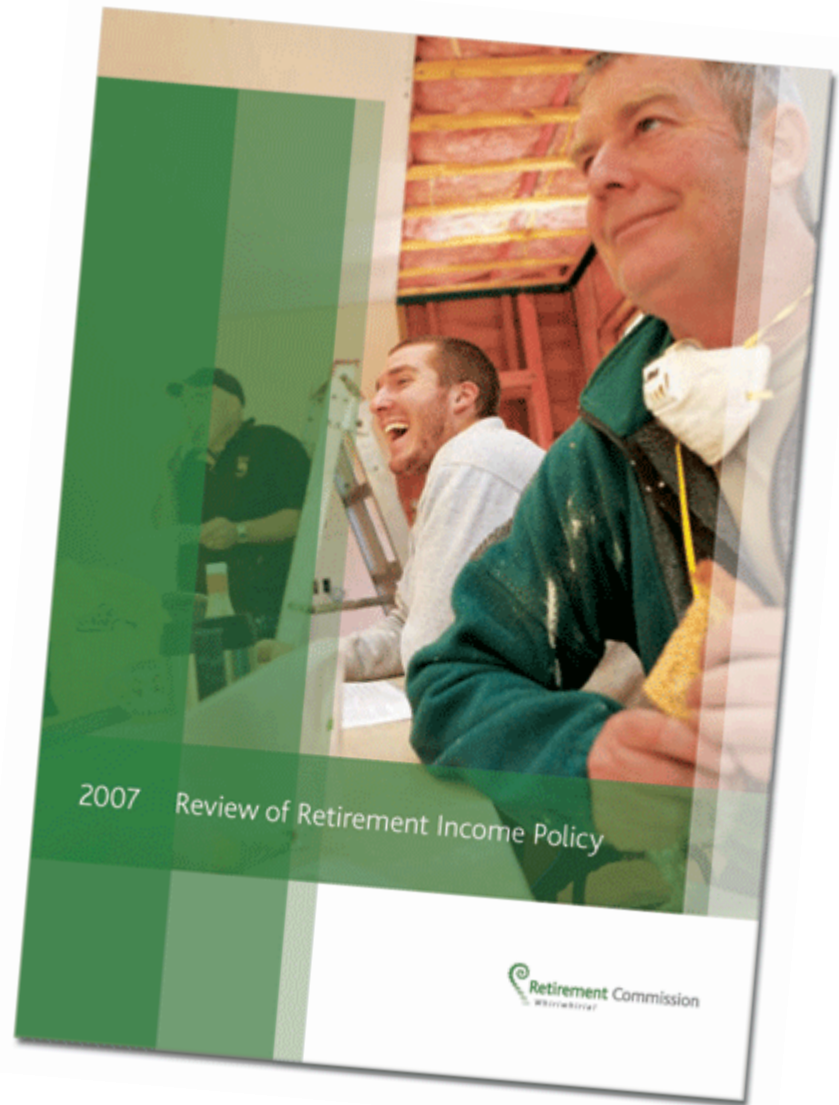


ECONOMIC GROWTH

SOCIAL COHESION

DEMOGRAPHICS

# 2007 Review of Retirement Income Policy



## RECOMMENDATION 1. GENERAL

That these independent Reviews of Retirement Income Policy continue on a 3-yearly basis, because retirement income policy is complex and involves many agencies.

## RECOMMENDATION 7. NEW ZEALAND SUPERANNUATION (NZS)

That Treasury, by end 2008, reports on the necessity, feasibility and implications of options for the future financing of NZS, because there are likely to be more recipients of NZS in future, with longer life expectancies.



## RECOMMENDATION 10. THE SAVINGS DEBATE

That the messages of government and other public bodies on the concern that New Zealanders tend to over-invest in residential property are referenced to multiple housing investment, and that such messages reflect that investing in a mortgage to buy a home to live in is an important part of preparing for a good retirement.

## RECOMMENDATION 12. NEW ZEALAND SUPERANNUATION (NZS)

That Treasury, by mid-2008, publishes the likely future fiscal cost of KiwiSaver on different demographic and economic scenarios, with commentary on its sustainability in its current form over short-, medium- and long-term time periods.

### RECOMMENDATION 13. KIWISAVER

That the Ministry of Economic Development, by mid-2008, reports on whether KiwiSaver default funds should have the same level of fees, on the prescription of asset mix, and on any other changes to default fund legislation in order for passive KiwiSaver members to stand a fair chance of even outcomes.

### RECOMMENDATION 18. THE FINANCIAL MARKETS, INFORMATION & EDUCATION

That the Ministry of Education, from 1 July 2009, takes responsibility for the schools project currently within the Retirement Commission, to ensure that financial education is embedded in the schools curriculum.



## RECOMMENDATION 21. EMPLOYMENT OF OLDER PEOPLE

That the Department of Labour, by mid-2008, develops a plan outlining how co-ordination could be improved among the agencies involved in initiatives - research, practical support and advice, public information and policy changes - that support older New Zealanders to find and stay in paid work, and the benefits of doing so.



The screenshot shows the Retirement Commission website with the following content:

- Retirement Commission** logo and navigation tabs: The Commission, Research Centre, Retirement Villages.
- Secondary navigation: About Us, About Sorted, In Schools, NZ Super, Media & Speeches, Reports, Legislation, 2007 Review, National Strategy.
- Legislative requirements:** Retirement Commission - 2007 Review (19 March 2008).
- Submissions:** 2007 Review. Text: "The Retirement Commissioner is required to review the retirement income policies being implemented by the Government and to report to the Minister by 31 December 2007 ... (NZ Superannuation and Retirement Income Act 2001)." A search box and text size selector are visible.
- Background papers:** 2007 Review Report. Text: "This page provides access to public documents relevant to the 2007 Review including the [legislative requirements](#) for the review and the [terms of reference](#)."
- Get Sorted** sidebar with links: Net Worth, Budget, Your Money/Personality, Debt Repayment, Student Loans, Retirement Savings, More Sorted Calculators, sorted.org.nz.
- The 2007 Review Report:** Text: "The [2007 Review of Retirement Income Policy report](#) was released and tabled in the House of Representatives on 17 December 2007. The Retirement Commissioner issued a [media statement](#) to accompany this." A download link for "Download 2007 Review of Retirement Income Policy (PDF, 1.9MB)" is provided.
- Submissions:** Text: "As part of the Review's work programme a number of [background papers](#) were commissioned." A sub-section for "Submissions" states: "Submissions were sought as input to the 2007 Review."



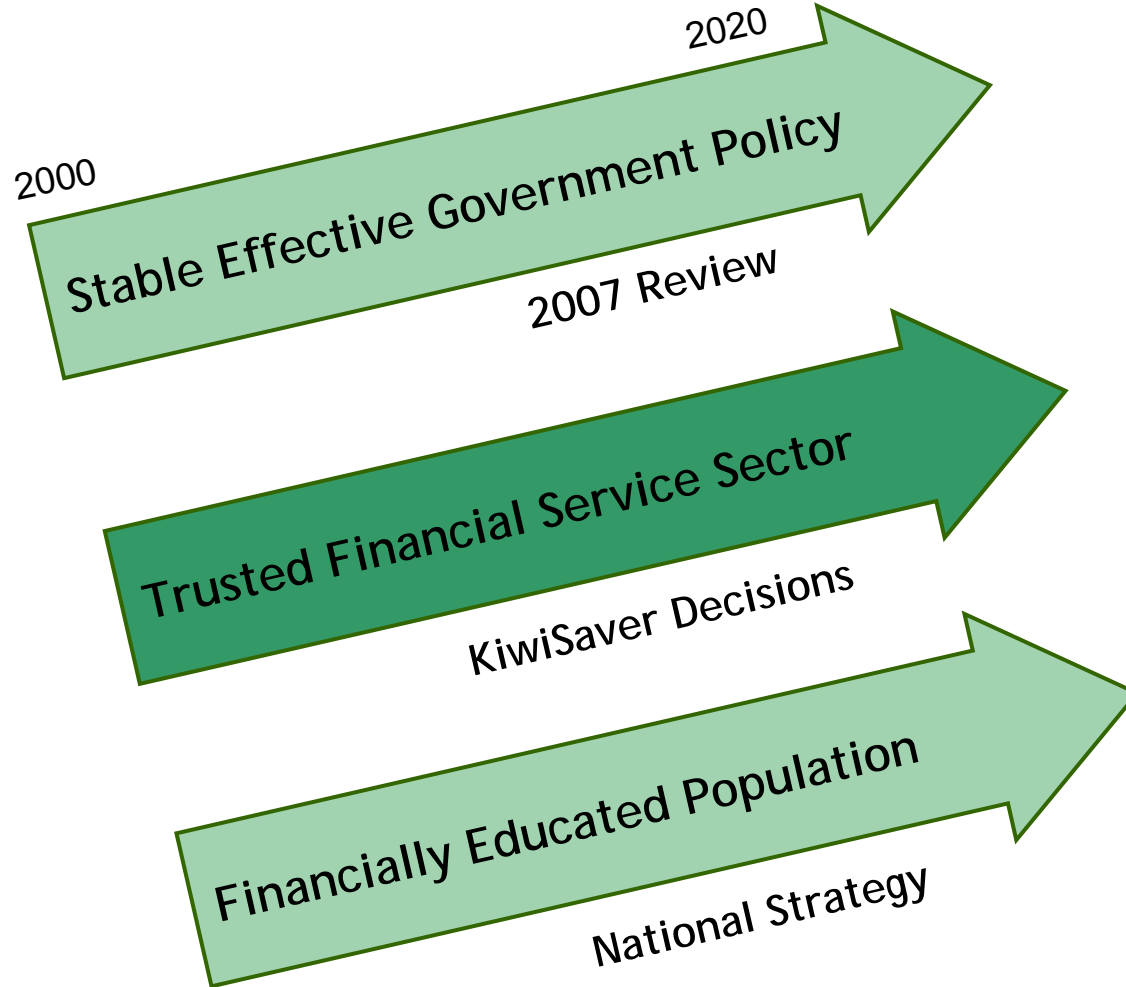
## RECOMMENDATION 22. MANAGING ASSETS & INCOME IN RETIREMENT

That the Ministry of Social Development monitors trends over time in the size and distribution of financial assets held by older people, in order to give some indications of the issues facing older people in managing assets in retirement, including the potential demand for annuity and home equity release products.

## RECOMMENDATION 24. MANAGING ASSETS & INCOME IN RETIREMENT

That the Ministry of Social Development, by end 2008, considers how the issue of financial abuse of the oldest people can be addressed within current social services.

# New Zealand Retirement Income Framework

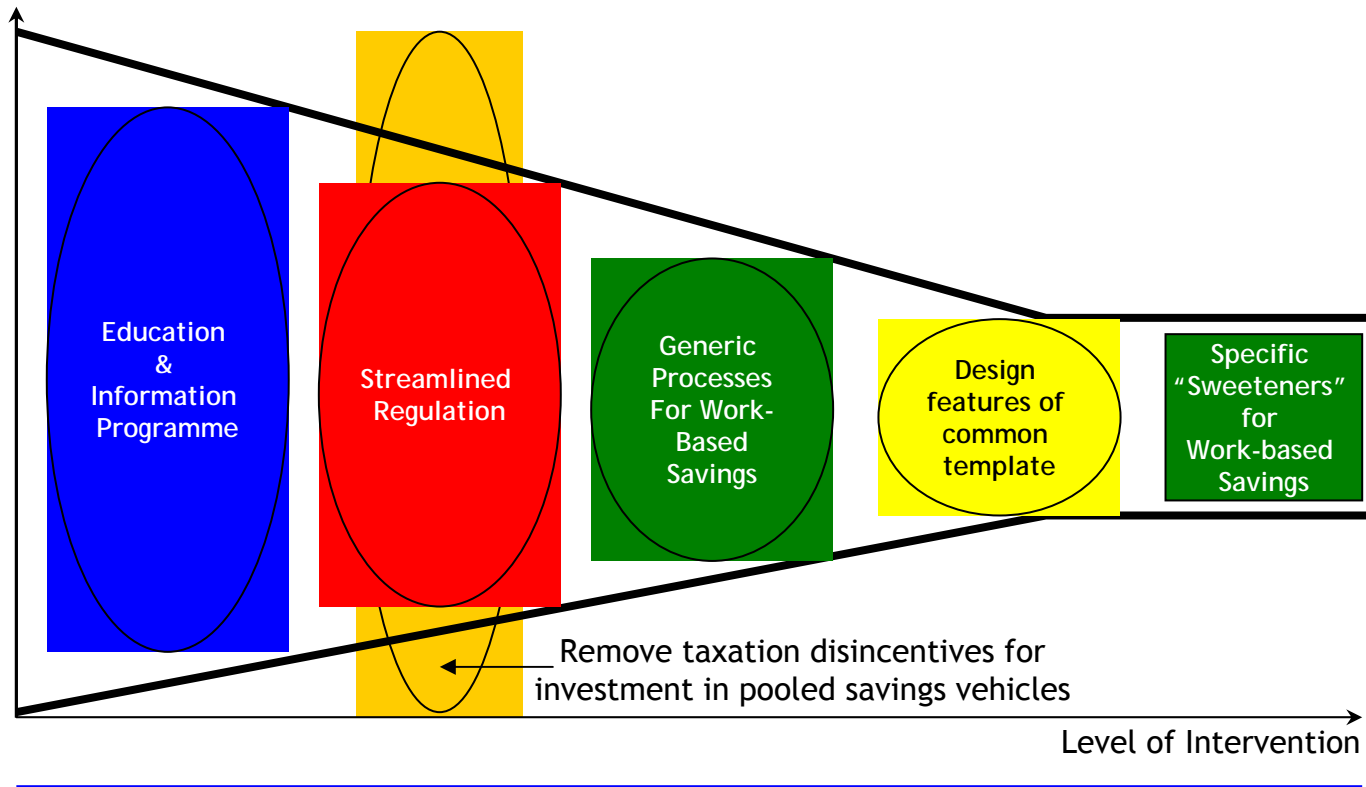


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# Savings Product Working Group Recommendations 2004



# KiwiSaver Decision

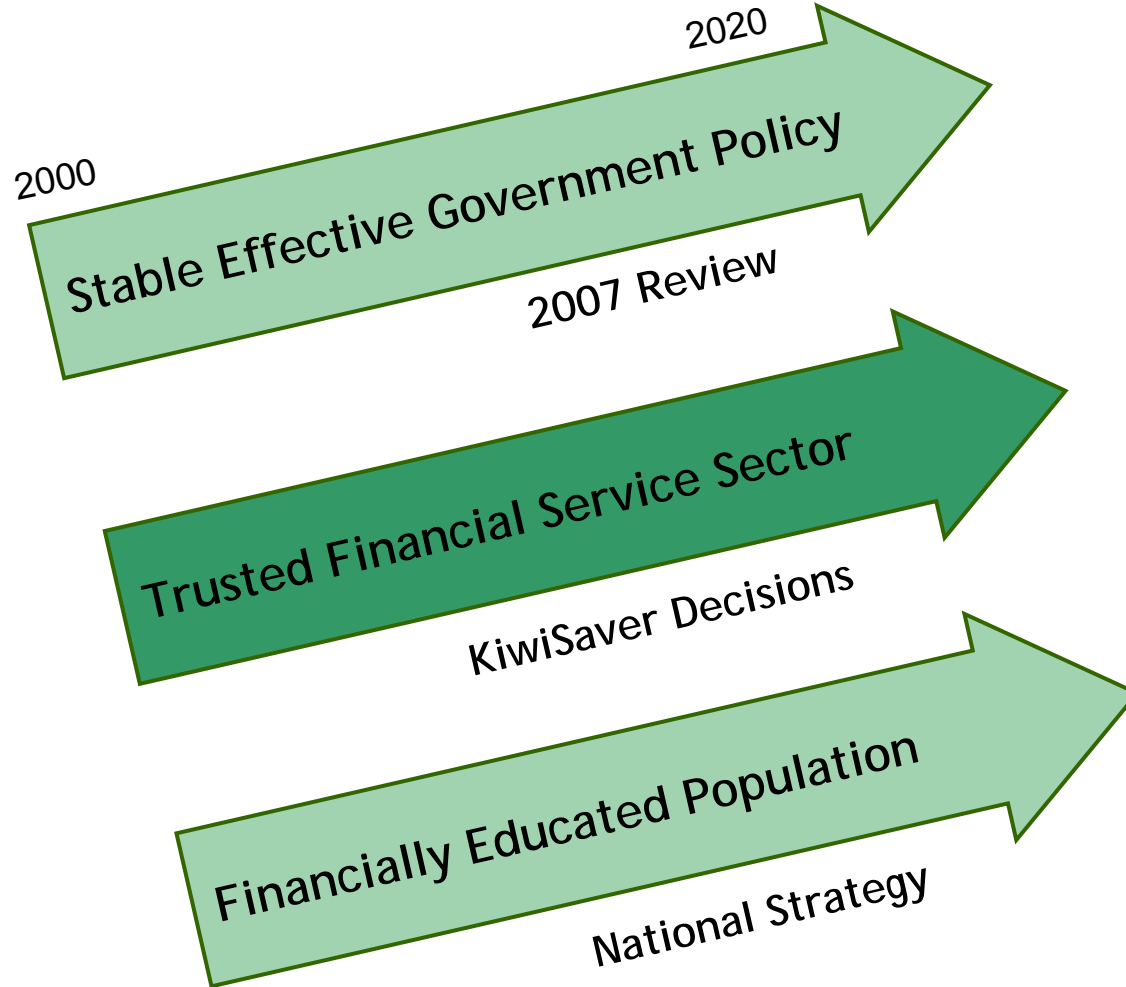


- The big decision is affordability
- We've provided information via **sorted.org.nz**, KiwiSaver calculators, brochures, posters, seminars
- Almost 500,000 KiwiSaver calculations made
- 30% of employers have either used or referred staff to **sorted.org.nz** \*.

\* Colmar Brunton, January 2008



# New Zealand Retirement Income Framework



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# New Zealand National Strategy for Financial Literacy

Vision: Personal financial wellbeing for New Zealanders

Mission: New Zealanders are financially well-educated and can make informed financial decisions throughout their lives

- Reaching people
- Extending delivery
- Sharing what works





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