

Media release
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KiwiSaver now an easier choice says Retirement Commissioner

The Retirement Commissioner says the Government's planned additions to the KiwiSaver scheme now make joining more worthwhile.

The Commissioner, Diana Crossan, says Budget announcements of compulsory employer contributions and tax credits of \$20 a week mean people need to spend time working out the status of their personal finances before they make decisions about joining KiwiSaver.

"Budget announcements may make KiwiSaver more attractive," says Ms Crossan. "Experts will say it is an easier decision, but people will need to make well informed decisions themselves, based on their particular financial situation.

Ms Crossan says people will definitely need to use the Retirement Commission's new online financial check up - **Sort Me**. Sort Me helps people work out how financially sorted they are. It's the first step to understanding whether KiwiSaver's right for them. Sort Me and other relevant calculators and information are available on www.sorted.org.nz.

Ms Crossan said workplace savings schemes were proven to be the easier way of saving, and to attract people, the schemes needed to be as simple as possible.

"Many people have a large mental hurdle which can stop them signing up to long term savings. The kickstart cash incentive and automatic opt in to KiwiSaver may help people over that hurdle.

"The new announcements certainly make KiwiSaver more attractive, but it's important for people to have a good grasp of their financial priorities.

"KiwiSaver gives all New Zealanders a trigger to think seriously about their money situation.

"Whatever your age or stage putting off important financial decisions is not the way to go - whether it be a decision to pay off debt or to plan for retirement.

“One thing’s for sure, most people need to prepare financially for retirement if they want more income than is provided by New Zealand Superannuation - currently after tax approximately \$14,407 if you’re single and living alone or \$22,164 if you’re a couple,” says Ms Crossan.

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