



## KiwiSaver Changes

### *What is changing?*

- The specific changes are – the \$1,000 Kick-Start remains unchanged:
- From 1 April 2012: The tax-free status of employer contributions to KiwiSaver and other complying superannuation funds will end. All employer contributions will be subject to Employer Superannuation Contribution Tax (ESCT) paid at the employee's marginal tax rate.
- For the year ending 30 June 2012 and beyond: The Member Tax Credit up to \$521 a year – half the current maximum. These payments are made annually after the government financial year, so the first payments at these new levels will occur in the second half of 2012.
- From 1 April 2013: The minimum employee contribution rate will rise from 2 per cent to 3 per cent. This will apply to existing and new members. This will also be the new default rate, but members will still be able to select a higher contribution rate of 4 per cent or 8 per cent.
- From 1 April 2013: The compulsory employer contribution rate will also rise to 3 per cent.

### **Perriam and Partners Ltd**

Unit 4, 35 Sir William Pickering Drive, Canterbury Technology Park  
PO Box 20-222  
CHRISTCHURCH ph: 03 358 3108 fx: 03 358 3120