

24 August 2006

INDUSTRY SUPPORT KIWISAVER ENHANCEMENTS

“The changes to KiwiSaver announced by the Minister of Finance, Dr Cullen, are welcome improvements to the scheme”, said Vance Arkinstall, CEO, Investment Savings & Insurance Association (ISI).

“KiwiSaver is a vital component in encouraging much needed personal savings. Today’s announcements will improve both employer and individual attraction to the scheme”, said Vance Arkinstall.

“In particular, allowing the 4 per cent minimum contribution to be made up of both employee and employer contributions and the exemption from the SSCWT tax are very encouraging moves”, Vance Arkinstall said.

“Delaying the starting date to 1 July provides much needed time to permit the industry to develop and test the systems necessary to support KiwiSaver. The Finance and Expenditure Committee are to be congratulated on listening to industry concerns and providing this relief”, said Mr Arkinstall.

“The Minister’s announcement that tax changes to portfolio investments are to be delayed to 1 October are also welcomed by the industry. Changes to the taxation of savings and investment products are essential to the success of KiwiSaver and efforts to improve personal savings levels. As the detail of the taxation changes will possibly not be known for some time, this deferral will assist providers to make the systems changes to support the new regime when it is enacted”, said Mr Arkinstall.

For further information contact:
Vance Arkinstall, Chief Executive