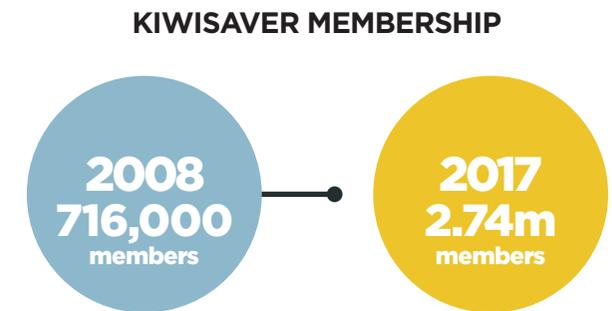


A BRIEF HISTORY

How KiwiSaver has developed in its first decade

The KiwiSaver scheme is New Zealand's voluntary long-term savings scheme where people can choose to contribute 3%, 4% or 8% of their gross pay and employers contribute at least 3%. KiwiSaver members can access the savings on retirement, to purchase their first home or in case of financial difficulty.

The uptake of KiwiSaver far exceeded initial projections from when it started in 2007.*



KIWISAVER



KiwiSaver has changed since it started in 2007. The Member Tax Credit was reduced from NZ\$1,042.86 to NZ\$523.41 in 2011 and in May 2015, the NZ\$1,000 kickstart for new KiwiSavers was removed.

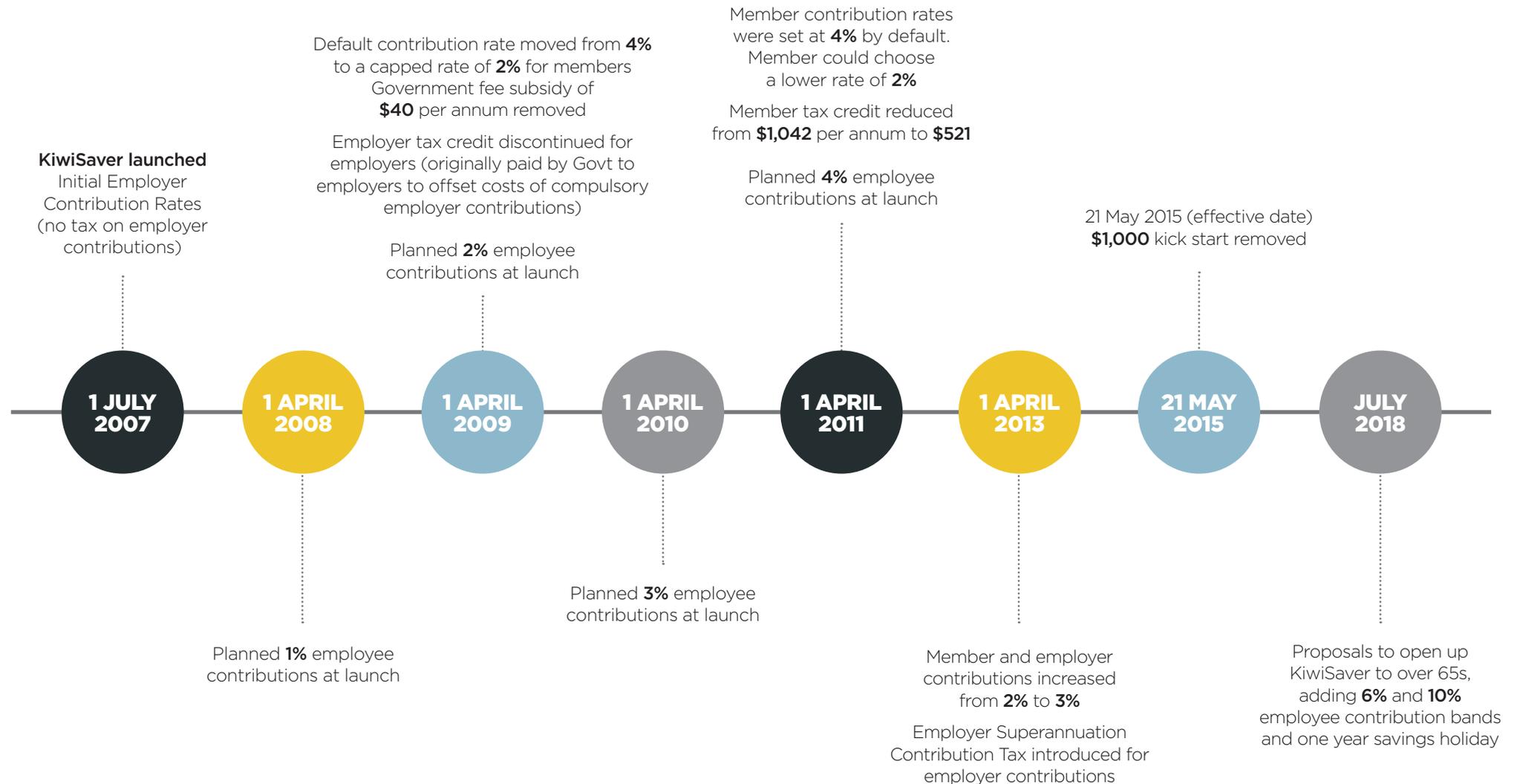
In July this year, the Government proposed additional changes to address some of industry, the Commission for Financial Capability (CFFC) and consumer concerns. These included opening KiwiSaver up to the over 65s, adding a 6% and 10% employee contribution rate and restricting the newly termed 'Savings Suspension' (Contribution Holiday) from five years to one.

KiwiSaver is having a positive impact domestically, with around 60% of managed funds invested in New Zealand. The new investment driven by KiwiSaver means businesses have the potential to both raise exports, employment and have a greater positive effect on GDP*.

The CFFC, industry and Government have gone some way to improve consumers' ability to save enough for retirement through KiwiSaver, understand the benefits through financial education and ensure transparency, but these research findings demonstrate there is still a long way to go to help and support New Zealanders shape their own futures.

* <https://www.rbnz.govt.nz/financial-stability/financial-stability-report/fsr2014-11/the-role-of-capital-markets-in-the-new-zealand-financial-system>

A BRIEF HISTORY



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