

The KiwiSaver concerns keeping us awake at night

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The last few weeks have been unprecedented for all of us. The impact of COVID-19 is now felt everywhere, our lives have been turned upside down, and working from home has a whole new meaning.

A few weeks ago, it would have been hard to imagine the situation we find ourselves in today and the uncertainty we are all facing makes for tough and worrying times.

That uncertainty and worry extends to the financial markets. Volatility has been to put it lightly, huge, and that means for many of us checking our KiwiSaver balance has been a painful and at times scary experience.

It's only natural to be concerned and worried when you see so much of your savings for retirement or a first home seemingly disappear overnight. It's also understandable as times get tough to start thinking about the possibility of using KiwiSaver funds to meet more immediate financial needs.

Our members who represent much of the KiwiSaver market are telling us that when it comes to our KiwiSaver investment there's a few key concerns that are keeping us all awake at night.

Kiwis are calling in never before seen numbers to their provider to ask about switching to a more conservative fund, the process for hardship applications, and just to find out what's happening to their KiwiSaver balance and if it will still be enough to help fund their retirement or their first home.

So, if you've been laying awake at night thinking the same questions about your KiwiSaver – you're not alone.

Firstly, it's great that so many of us are taking the time to review and think about our KiwiSaver investment, but it's really important that at this uncertain time any decisions about your KiwiSaver are carefully thought out and not rushed into.

So, take some time to carefully engage with and understand your KiwiSaver settings. Is your risk profile right? Are you in the right fund for your age and stage in life? Is your fund providing clear and easy to understand information on the performance of your KiwiSaver fund and steps they are taking to lessen the impact of COVID-19?

Once you've carefully reviewed the key information you need about your KiwiSaver it's vital that you don't then rush to make decisions like changing funds without a clear plan and good advice. Now is the time for planning and preparation.

Don't hesitate to speak your KiwiSaver provider, financial adviser or local budgeting service to get their expert advice. Once you have that advice is the time to decide if you're in the

right fund for the long-term or not, if you should consider adjusting your investment profile, or exploring the option of a hardship application.

I can't sugar-coat things in the current environment and say that advice you'll hear will be good news or what you want to hear. What I can say though is that the more advice you get and the more planning you do the better placed you'll be to manage your KiwiSaver through this difficult time.

And remember for most of us our KiwiSaver investment is a long-term one. At the moment returns and balances are reducing and that's scary, but markets are highly volatile and will bounce around a lot in coming months, so you need to consider returns over years not months.

At this time, we all need to keep cool heads, take a good considered look at our KiwiSaver, get good advice, make a plan and stick to it. The next few months will be challenging for all of us but by following this simple approach we can help ensure that our KiwiSaver investment is in the best possible position to contribute to our financial wellbeing in the future.

The [FSC](#) is a non-profit member organisation and the voice of the financial services sector in New Zealand. Our 65 members comprise 95% of the life insurance market in New Zealand and manage funds of more than \$83bn, including \$63.5bn in KiwiSaver funds. Members include the major insurers in life, disability and income insurance, fund managers, KiwiSaver and workplace savings schemes (including restricted schemes), professional service providers, and technology providers to the financial services sector.