

# FirstChoice

KIWISAVER

Employer Guide

31 July 2009

Welcome to FirstChoice KiwiSaver, the scheme that offers all the benefits of KiwiSaver through a range of sophisticated investment options.

If you're new to KiwiSaver or thinking about choosing a KiwiSaver scheme for your business and staff, this is the guide for you.

FirstChoice KiwiSaver is provided and managed by ASB Group Investments, a leader in the field of investments and superannuation. We have significant experience in managing and administering superannuation schemes, with currently over \$4.4 billion of investments managed on behalf of over 370,000 New Zealanders.

I hope you find the information contained in this guide informative, and you agree that choosing FirstChoice KiwiSaver for your business and staff is a smart move.



**Greg McAllister**  
Head of Wholesale Distribution  
ASB Group Investments

If you need any additional information, please contact us.

Phone 0800 782 330

Email [kiwisaver@asb.co.nz](mailto:kiwisaver@asb.co.nz)

Web [www.firstchoiceinvestments.co.nz](http://www.firstchoiceinvestments.co.nz)

General information about KiwiSaver is also available at:

[www.kiwisaver.govt.nz](http://www.kiwisaver.govt.nz)

[www.ird.govt.nz](http://www.ird.govt.nz)

[www.sorted.org.nz](http://www.sorted.org.nz)

The FirstChoice KiwiSaver Scheme ("FirstChoice KiwiSaver") is provided and managed by ASB Group Investments Limited ("ASB Group Investments") and is available through Sovereign Services Limited ("Sovereign") and ASB Bank Limited ("ASB").

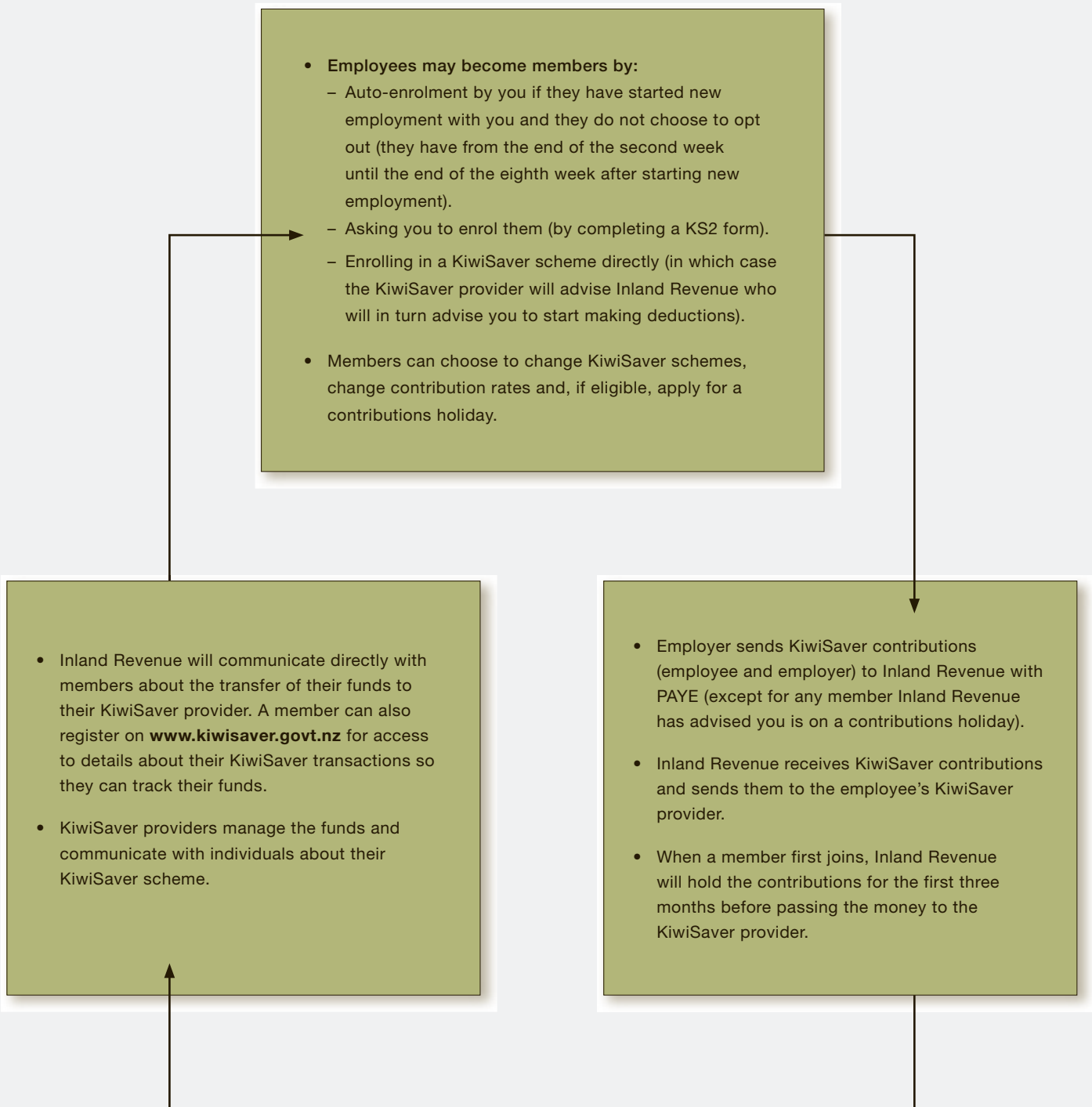
A copy of the FirstChoice KiwiSaver Investment Statement is available from ASB Group Investments.

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## What is KiwiSaver?

KiwiSaver is a work-based voluntary savings initiative set up by the Government to encourage New Zealanders to save for their retirement. In addition to the attractive Government incentives offered through KiwiSaver, employers must also contribute to an employee's KiwiSaver account (subject to certain criteria). Here's how KiwiSaver works:



## Employer contributions

- Employers are generally required to contribute 2% of an employee's gross salary or wages, where their employee is contributing to KiwiSaver, is aged 18 or over and is not yet eligible to receive their KiwiSaver retirement benefit. (Employers can choose to contribute more).
- Employer contributions of up to 2% are free of employer superannuation contribution tax (previously called specified superannuation contribution withholding tax) to the extent they are matched by the employee. This exemption only applies for employees who are aged between 18 and the date they are eligible to receive their KiwiSaver retirement benefit.
- An employer may be exempt from making KiwiSaver employer contributions, or able to pay a lower percentage, if the employer is already making employer contributions to an existing registered superannuation scheme (including complying superannuation funds). Any tax free employer contributions to complying superannuation funds will also reduce the level of tax free employer contributions to KiwiSaver.

## Employee contributions

- The standard rates of contribution are 2%, 4% or 8% of an employee's gross salary or wages. The default employee contribution rate is 2%.
- The employee (and employer) contribution is calculated on most employment related income, such as wages, overtime, bonuses and commission. The calculation for employee contributions excludes redundancy and allowances/ expenditure for living overseas.
- Employees can also choose to make additional savings, either regularly or by lump sum, direct to their KiwiSaver scheme provider.

## Government contributions

- A \$1,000 kick-start contribution on joining KiwiSaver for the first time.
- Contributions matching the employee's contributions up to \$20 per week, where they are aged 18 or over, are not yet eligible for their KiwiSaver retirement benefit and mainly live in New Zealand.
- Mortgage Diversion was closed to new applicants from June 2009. For KiwiSaver members who already use Mortgage Diversion, their Mortgage Diversion contributions will not be matched by the Government.

## Additional features

- 12 months after their first contribution to KiwiSaver, members can apply for a contributions holiday. In circumstances of financial hardship, they can apply earlier.
- After three years or more of saving in KiwiSaver, members may be able to withdraw contributions (excluding the Government kick-start and matching Government contributions) to use for a first home deposit. At the same time, members may also be eligible for a first home deposit subsidy (through Housing New Zealand Corporation (HNZC)) of \$1,000 per year of savings, up to \$5,000. This is available to members who meet the relevant eligibility criteria as determined by HNZC, including minimum contribution levels and certain income and regional price caps. There are certain circumstances which allow a "second chance" home buyer to qualify for these features.
- KiwiSaver savings are locked in until the later of:
  - the member becoming eligible for NZ Superannuation (currently age 65) or,
  - after five years of KiwiSaver membership (membership of a complying superannuation fund may reduce this five year period).
- Early part withdrawal of savings may be allowed for significant financial hardship and permanent emigration, and early full withdrawal may be allowed for serious illness.

## What is an Employer's Chosen Scheme?

There are a number of ways an employee can be allocated to a KiwiSaver scheme. As an employer, you can choose a KiwiSaver scheme for your business and staff. Your employees will be allocated to your chosen KiwiSaver scheme when they join KiwiSaver, unless they choose an alternative KiwiSaver scheme.

An Employer's Chosen Scheme can:

- provide you with access to support for any KiwiSaver queries that you or your employees may have;
- allow you to redirect KiwiSaver enquiries to a trusted expert;
- give you access to specialist assistance in promoting your KiwiSaver message;
- give your employees a clear message of support that you are interested in their financial well-being;
- help you communicate a consistent KiwiSaver message to your employees;
- introduce an investment expert for your employees to turn to.

## What do you have to do if you choose an Employer’s Chosen Scheme?

When you have an Employer’s Chosen Scheme, the KiwiSaver provider will give you a supply of Investment Statements for your chosen KiwiSaver scheme. Once you have received the Investment Statements, you need to give the following information to existing staff either asking for information, or to be enrolled, and to new staff:

- an Investment Statement for your Employer’s Chosen Scheme;
- an Inland Revenue Employee Information Pack (KS3);
- a written statement advising them that you have an Employer’s Chosen Scheme. ASB Group Investments will provide you with a draft statement.

## Why choose FirstChoice KiwiSaver?

FirstChoice KiwiSaver has been designed to offer all the benefits of KiwiSaver through a range of sophisticated investment options that suit different needs.

FirstChoice KiwiSaver is managed by ASB Group Investments, a recognised expert in retirement savings and workplace superannuation schemes, currently managing over \$4.4 billion in investments.

## What ASB Group Investments offers?

- a dedicated Relationship Manager to help you with your KiwiSaver enquiries;
- specialists to help you and your staff with technical KiwiSaver questions;
- KiwiSaver support material for use within your business;
- access to other benefits you can offer staff, such as Sovereign’s range of group workplace insurance plans or range of individual products including life insurance, critical illness cover and income protection insurance;
- the simplicity of having all your financial service requirements looked after by one financial services group of companies.

## What FirstChoice KiwiSaver offers?

FirstChoice KiwiSaver is a smart KiwiSaver choice for your business and staff because it offers you:

- comprehensive information to help employees understand why they need to save for retirement and how KiwiSaver can help;
- competitive fees;
- access to the FirstChoice KiwiSaver website, that allows members to view their KiwiSaver account details online;
- the choice of both index-tracking and active investment management styles;
- a range of KiwiSaver Investment Funds, including the Global Sustainability Fund.

## An overview of FirstChoice KiwiSaver

FirstChoice KiwiSaver offers a wide range of Investment Funds, some of which are a diversified mix of income assets (cash and fixed interest such as Government bonds) and growth assets (property and shares) and some of which invest in one type of asset (such as cash or world shares). FirstChoice KiwiSaver offers two investment management styles – index-tracking and active.

The table below gives an overview of key information about FirstChoice KiwiSaver (more information can be found in the FirstChoice KiwiSaver Investment Statement available from ASB Group Investments) and online at [www.firstchoiceinvestments.co.nz](http://www.firstchoiceinvestments.co.nz)

Investment Fund	NZ Cash Fund	Tracker Conservative Fund	Tracker Moderate Fund	Tracker Balanced Fund	Tracker Growth Fund	Active Conservative Fund	Active Balanced Fund	Active Growth Fund	Active High Growth Fund	Global Sustainability Fund
Income Asset Percentage	100%	80%	60%	40%	20%	70%	40%	20%	0%	0%
Growth Asset Percentage	0%	20%	40%	60%	80%	30%	60%	80%	100%	100%
Entry and Exit Fees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Switch Fees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Investment Management Fees (as a percentage of gross fund value)	0.20% p.a.	0.25% p.a.	0.34% p.a.	0.34% p.a.	0.34% p.a.	0.80% p.a.	0.85% p.a.	0.90% p.a.	1.00% p.a.	1.50% p.a.
Trustee Fee (as a percentage of gross fund value)	0.03% p.a.	0.03% p.a.	0.03% p.a.	0.03% p.a.	0.03% p.a.	0.03% p.a.	0.03% p.a.	0.03% p.a.	0.03% p.a.	0.03% p.a.
Administration Fee	\$3.00 per member per month									

GST (if any) and other taxes will apply to the above fees where applicable. Other fees and expenses may apply, which are explained in full in the FirstChoice KiwiSaver Investment Statement. Fees and asset allocations may change from time to time.

## What happens next?

If you've decided to choose FirstChoice KiwiSaver as your Employer's Chosen Scheme, we look forward to working with you and your employees.

Now, all you need to do is complete the Employer's Chosen Scheme Agreement ("**Agreement**") and return it to us to the FreePost address below.

Please contact ASB Group Investments on **0800 782 330** if you require additional Agreements.

FreePost Authority ASBGI  
KiwiSaver, ASB Group Investments  
Private Bag 93518  
Takapuna  
North Shore City 0740

If you'd like to discuss your options or have any questions, please contact us.

Phone: **0800 782 330**

Email: [kiwisaver@asb.co.nz](mailto:kiwisaver@asb.co.nz)

Web: [www.firstchoiceinvestments.co.nz](http://www.firstchoiceinvestments.co.nz)

## What we'll do

- Once we have received your Agreement, we will advise Inland Revenue that you have selected FirstChoice KiwiSaver as your Employer's Chosen Scheme. You don't need to do anything.
- Inland Revenue will then notify you when they have recorded FirstChoice KiwiSaver as your Employer's Chosen Scheme. Please note this process can take up to four weeks to complete.
- We will provide you with a supply of FirstChoice KiwiSaver Investment Statements. This contains all the information your employees need to know about FirstChoice KiwiSaver and a guide to selecting their Investment Fund(s).

## What you need to do

Once you've sent back your Agreement, you won't need to do anything until you receive the FirstChoice KiwiSaver Investment Statements. You'll then need to hand these out along with the Inland Revenue KiwiSaver Information Packs (KS3) and a statement (we will supply a draft for you) advising your employees if they do not select their own KiwiSaver scheme they will be enrolled in FirstChoice KiwiSaver.

If you need additional Investment Statements, please call or email us.

You'll then have access to all the help and support materials you need. And remember, we're here to assist, simply call **0800 782 330** or email [kiwisaver@asb.co.nz](mailto:kiwisaver@asb.co.nz)

Date

**Parties**

Public Trust, a statutory corporation and Crown entity established under the Public Trust Act 2001 (the Trustee).

Registered Company Name

**Background**

A Public Trust is the trustee of the FirstChoice KiwiSaver Scheme ("FirstChoice KiwiSaver"). FirstChoice KiwiSaver was established by a trust deed dated 11 June 2007, as amended on 1 April 2008 (the "Trust Deed"), that governs FirstChoice KiwiSaver.

B The Employer wishes to choose FirstChoice KiwiSaver as its Employer's Chosen KiwiSaver Scheme under section 47 of the KiwiSaver Act 2006 (the "Act").

The Parties agree that:

1. All permanent employees of the Employer (to the extent that the Act applies to the Employer's Employees) are eligible to be Members on and from the date of this Agreement.
2. If notice is given under section 47(2)(b) of the Act in relation to this Agreement, this Agreement will no longer have effect, and the Employer will cease to be the "Employer" pursuant to this Agreement.
3. Capitalised terms in this Agreement have the same meaning as in the Trust Deed.

Employer Name

Name of Authorised Signatory

Authorised Signatory

Public Trust use only

Public Trust

Name of Authorised Signatory

Authorised Signatory

Please complete the extra information required on the reverse of this Agreement.

Return to:

FreePost Authority ASBGI  
 KiwiSaver, ASB Group Investments  
 Private Bag 93518  
 Takapuna  
 North Shore City 0740



**Employer Details** This information will be treated in the strictest confidence.

Company Name


IRD Number(s) of Employing Business Payroll Entity\*



(if required)

(if required)

Company Postal Address


Company Physical Address


Contact Person (Responsible for KiwiSaver in your organisation)

Name	
Job Title	
Work Phone	Mobile Phone
Fax	Email Address

Number of Employees

If applicable, details of the Adviser who assisted you with this Agreement:

Adviser Name

Adviser Code



How did you hear about FirstChoice KiwiSaver? (please tick)

Adviser
  Advertising
  Mail
  Website
  Seminar
  Other - please specify

\* Please contact us on **0800 782 330** if you require additional Agreements.