

Workplace Savings in the Employer/Employee Relationship

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What are my business needs?

What could I do?

What am I allowed to do?

What should I do?

What must I do?

Who can help me?



- Distribute KiwiSaver information package to new employees
- Distribute Investment Statement for any preferred KiwiSaver Scheme

What am I allowed to do?

- Financial Advisers Act 2008 – fully in force 1 July 2011
- Financial advisers/brokers subject to disclosure/conduct/licensing requirements
- Employer can provide services to *"an employee in connection with a financial product made available through the employee's workplace"*
- Employer/employee nexus required

- Is KiwiSaver "*made available through employee's workplace*"
- How wide is "*in connection with*"

- Also:
 - Can give factual description of the features of a KiwiSaver Scheme
 - Can transmit information
 - Provide information
 - Make a recommendation/give opinion relating to a class of financial products
 - Make a recommendation/give opinion about procedure for acquiring/disposal
 - Recommend that a person consult a financial adviser

What are my business needs?

- Employee recruitment/retention/loyalty
- Employee ability to retire
- Paternalistic approach?
- Compliance/liability risk

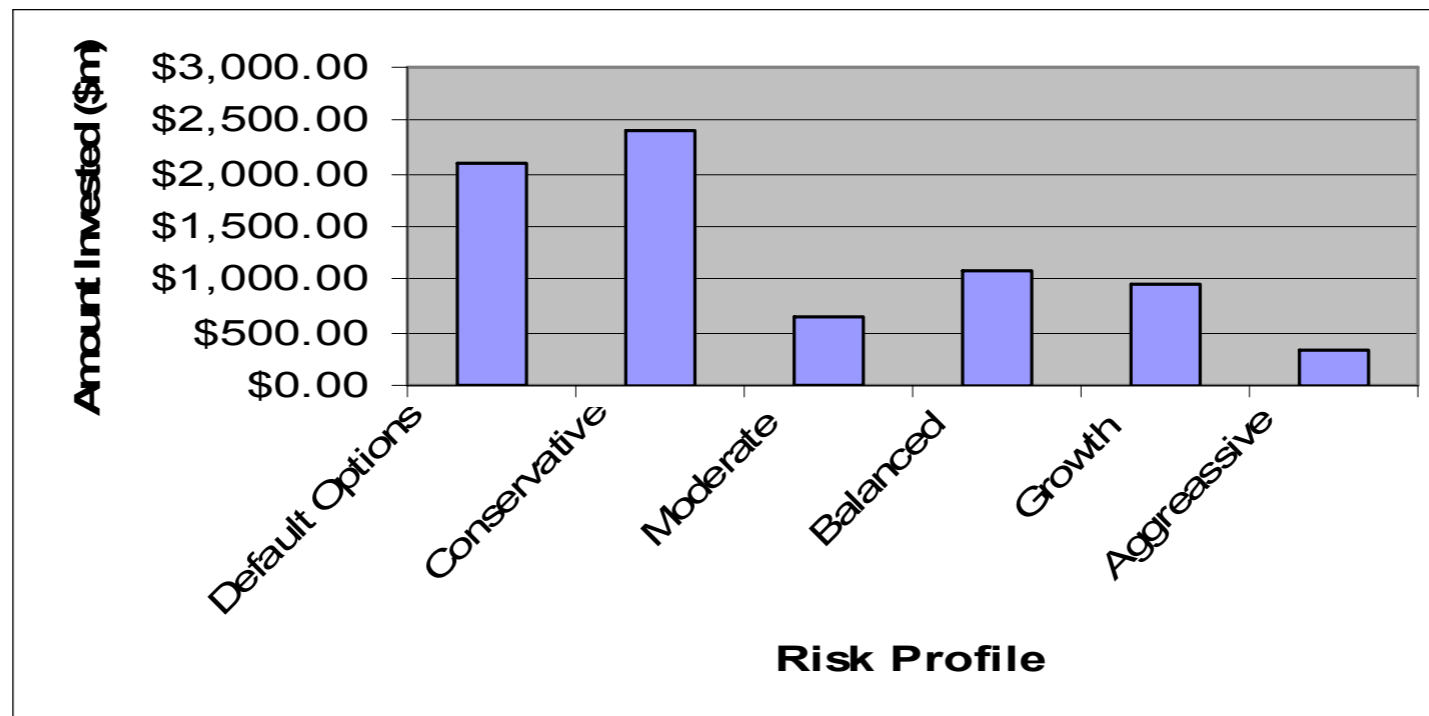
What could I do?

- Nothing at all
- Meet minimum KiwiSaver requirements
- Encourage a general awareness of saving/investment
- Provide factual information about KiwiSaver
- Provide advice about KiwiSaver generally
- Provide advice about a particular KiwiSaver Scheme

- Provide advice about a Master Trust or Standalone Scheme
- Suggest that employees obtain financial advice
- Suggest a particular financial adviser
- Facilitate advice from an adviser (seminars etc.)
- Provide individual financial advice

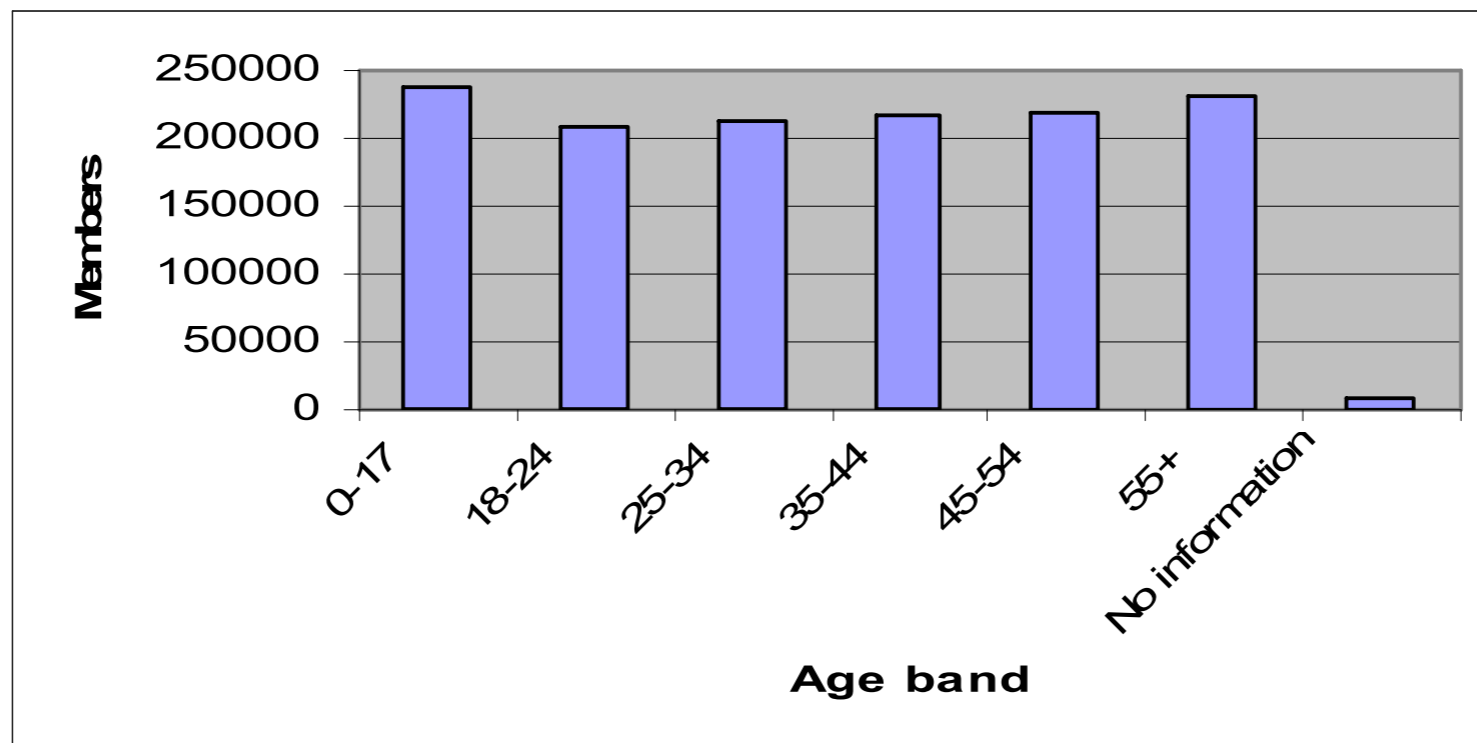
- Suggestion for discussion:
 - Offer KiwiSaver to staff
 - Suggest they get advice with regard to their personal situation
 - Point them in the right direction

KiwiSaver contributions by risk profile*



* Morningstar KiwiSaver Performance Survey – Returns to 30 June 2010

Demographics of KiwiSaver members*



* IRD KiwiSaver Statistics as at 28 February 2010

1. **Your age** Under 40
2. **Annual income** \$40,000 - \$80,000
3. **How long will others be dependent on your financial support?**
 - More than 10 years
 - Up to 10 years
 - Not at all
4. **How do you see the security of your job, business or finances over the next 5 years?**
 - Not good
 - Satisfactory
 - Very good

5. Have you got savings you can access if you lose your income?

- No
- **Some savings and/or insurance that would help**
- Savings and/or insurance to cover essential costs for several months

6. Relative to your goals, what level of savings and other assets do you have now?

- Low
- **Medium**
- High

7. How long are you investing for?

- Up to 3 years
- 3-10 years
- More than 10 years

8. How much total debt do you have (include mortgages but exclude student loans)?

- Debt worth more than a year's income
- Debt worth less than a year's income
- No significant debt

9. Which description best fits you?

- Conservative, worry about money
- **Cautious but realise some risk may be necessary over the long term**
- Comfortable in taking a calculated risk with money
- **10. What is most important to you?**
- Always getting back at least as much as I put in
- **Coming out ahead in the end, despite ups and downs along the way**
- Maximum profit regardless of risk - I'm investing money I can afford to lose



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- Authorised Financial Advisers
- Institute of Financial Advisers
- www.sorted.org.nz/kiwisaver Risk Recommender Calculator