



Media Release

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KiwiSaver employment law changes welcomed

The industry association promoting workplace superannuation says it is pleased at the speed with which the Government is moving to repeal recent employment law amendments affecting KiwiSaver.

The amendments, introduced in September by the previous Government through the Employment Relations Act, were aimed at keeping KiwiSaver contributions out of any total remuneration package calculations.

The National Party has today introduced changes to reform KiwiSaver, expected to be passed tomorrow under urgency.

The chair of the Association of Superannuation Funds of New Zealand (ASFONZ), David Ireland, says the changes to employment laws are a positive step for workplace savings.

“Under the proposed changes there is now flexibility for employers and employees to agree how they would like compulsory employer contributions treated.

“This will benefit employers trying to manage their salary costs in these difficult times and encourage participation in workplace savings beyond the statutory minimum.

Mr Ireland says National has now pulled back from the 2% of salary cap on the member tax credit proposed in its pre-election policy announcement.

“This means all employee KiwiSavers will get the same opportunity to benefit from the credit regardless of their income level.

“This is a real positive for both the level of workplace savings and for avoiding the addition of a further complication in the administration of KiwiSaver schemes.

“However we are dismayed that outside the essential ERA changes, a further round of changes to KiwiSaver design has been rushed into Parliament with minimal consultation and virtually no opportunity for those involved to respond.

“Our primary concern is with the impact the removal of the fee subsidy will have, particularly for those with small account balances for whom the benefit of the subsidy was significant,” says Mr Ireland.

For further information

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