



Media Release

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KiwiSaver Turns 2

KiwiSaver – and workplace savings as a whole - are at a cross roads. A big challenge for industry and policy makers is how best to encourage employers to remain engaged in assisting their employees with their savings.

That's according to the Association of Superannuation Funds of New Zealand (ASFONZ) which promotes workplace savings.

1 July 2009 marks the second anniversary of the introduction of KiwiSaver.

ASFONZ Chair David Ireland says it is a time to reflect on the scheme and its impact on the savings habits of New Zealanders.

"While the take up rate of KiwiSaver has exceeded all expectations, there is still debate in some quarters as to whether it has had a positive impact on the level of New Zealand savings as a whole.

"Some say that having a quarter of New Zealand's population signed up as KiwiSavers is a roaring success.

"But others say that with all the incentives in place, only having a quarter of the population enrolled is disappointing.

"Whatever the view, ASFONZ is pleased there finally appears to be some stable policy in place around KiwiSaver.

"Apart from this year's budget removing the mortgage diversion anomaly, there have been no substantive changes since the design changes announced when the current Government first came into power.

Mr Ireland says the reduction of the compulsory rate of KiwiSaver contribution to 2% earlier this year – especially in the current economic climate - presents an opportunity for savers to think beyond KiwiSaver in planning for their retirement.

"It is incumbent upon both industry and the Government to ensure the environment is as conducive as possible for employers to play a role in encouraging that thinking," he says.

For further information

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