



Media Release

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National Party "removes KiwiSaver uncertainty"

The Association promoting workplace superannuation in New Zealand says the National Party's plans for KiwiSaver allays fears the scheme would be rendered unattractive under a National Government.

The Association of Superannuation Funds of New Zealand (ASFONZ) says National's policy should continue to improve the overall health of workplace savings.

The National Party has promised that instead of being forced to contribute 4 per cent of an employee's gross salary into KiwiSaver in future years, employers would have to give only 2 percent.

The trade off is the removal of the employer tax credit, currently worth up to \$20 per week, to help subsidise employer contributions.

ASFONZ chair David Ireland says the key foundations on which KiwiSaver has been developed would remain unaffected by the policy, and the main incentives to participate remain.

"The proposed changes provide a more sustainable path for both KiwiSavers and employers in the challenging economic climate that we now face.

"Reducing the minimum contribution to 2% is a change we endorse to make the scheme more affordable to all, and removes a disincentive to join that limits its accessibility for some workers.

"It is also important to acknowledge that for many, saving 2% of salary, even if matched by employer contributions, may be insufficient to fund a comfortable retirement.

"In particular ASFONZ welcomes National's plan to scrap the ill-considered amendments to the ERA rushed through Parliament last month that denied the right to factor in employer KiwiSaver contributions to employment negotiations.

"Those changes may have compromised the overall level of retirement savings made through the workplace.

"Regardless of the outcome of the election, ASFONZ is committed to working with whoever holds power to rectify the potential harm inflicted on workplace savings by the latest ERA amendments," says Mr Ireland.

For further information

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