

# Self-employed – your guide to KiwiSaver

Use this factsheet to answer any questions you may have if you're self-employed and a member of KiwiSaver or you're thinking about joining KiwiSaver.

## An introduction to KiwiSaver

KiwiSaver is a voluntary savings initiative designed to make it easier for New Zealanders to save for retirement. If you choose to join, you'll invest money in a KiwiSaver scheme of your choice. You'll be able to withdraw your savings when you're eligible for New Zealand Superannuation (NZ Super), currently 65 or after five years membership, whichever is later.

## There are benefits to joining KiwiSaver

When you join KiwiSaver you'll have access to the following benefits.

### Member tax credit

If you're 18 or over, the government will contribute up to \$521.43 each year to your KiwiSaver account. This is called a member tax credit.

Your scheme provider will claim the member tax credit on your behalf after 30 June each year and invest it in your KiwiSaver scheme.

### Buying a first home

After being a member of KiwiSaver for three years you may be able to withdraw all or part of your savings to help you buy your first home.

If you've been making regular contributions to your KiwiSaver account you may be entitled to the Kiwisaver HomeStart grant through Housing New Zealand. For more information go to the Housing New Zealand website [www.hnzc.co.nz](http://www.hnzc.co.nz) or call them on 0800 801 601.

If you've previously owned a home you may be eligible for the first home withdrawal and the HomeStart grant if Housing New Zealand determines you're in the same financial position as a first-time buyer.

## Who can join KiwiSaver

To be eligible to join KiwiSaver, you must:

- live, or normally live, in New Zealand, and
- be a New Zealand citizen or entitled to stay in New Zealand indefinitely, and
- be under the age of eligibility for NZ Super (currently 65).



If you're in New Zealand on holiday (including New Zealand citizens who normally live overseas) or hold a temporary visitor, student or work permit, you can't join KiwiSaver.

## How to join KiwiSaver

If you're self-employed you'll need to choose a scheme provider and apply direct to them. When your application is accepted the scheme provider will notify us that you've joined KiwiSaver.

For a full list of scheme providers go to [www.kiwisaver.govt.nz](http://www.kiwisaver.govt.nz) (search keywords: scheme providers).

## Making contributions to your KiwiSaver scheme

If you're self-employed, you and your scheme provider will need to agree on the amount and frequency of your contributions to your KiwiSaver scheme.

Your contributions can be paid direct to your scheme provider or through us. If you choose to pay through us you can find out the ways to make a payment by going to [www.ird.govt.nz](http://www.ird.govt.nz) (search keywords: making payments).

## Investing your savings in a KiwiSaver scheme

There's a wide range of schemes and investment funds to choose from. Before you choose a scheme you should research the ones you're interested in to find out how they'll invest your money.

Each scheme provider's investment statement explains how they'll invest your savings, the specific rules, fees, terms and conditions of the scheme. The investment statement is an important document so make sure you read it carefully.

KiwiSaver isn't guaranteed by the government. This means you invest in a KiwiSaver scheme at your own risk. However, all KiwiSaver schemes are regulated by the Financial Markets Authority in a similar way to other registered superannuation schemes.

## Changing KiwiSaver schemes

You can change schemes at any time by applying to the scheme provider you want to change to. You can only belong to one KiwiSaver scheme at a time.

## Withdrawing your savings

Your KiwiSaver savings are "locked in" and can't be withdrawn until you're eligible. You can qualify to withdraw your savings early if:

- after three years you want to buy your first home
- you experience significant financial hardship
- you suffer serious illness
- you move overseas permanently (to a country other than Australia).

If you move to Australia permanently you can't withdraw your KiwiSaver savings. You can either:

- keep your savings in your current KiwiSaver scheme, or
- transfer your savings to an Australian complying superannuation scheme.

For more information, read our *Tax Information Bulletin* Vol 22, No 10 (November 2010) at [www.ird.govt.nz](http://www.ird.govt.nz)

If you die, your KiwiSaver savings will be paid to your estate.

## Reaching the age of eligibility

You're eligible to withdraw your savings when you either qualify for NZ Super (currently 65) or joined KiwiSaver between the age of 60 and 65 and have been in KiwiSaver for five years.

If you meet the above requirements, and you want to withdraw your savings, contact your scheme provider. They'll let you know how to withdraw your funds or the options available if you want to continue with your investment.

## Changing from self-employed to an employee

If you start working as an employee, you'll need to tell your employer that you're in KiwiSaver so contributions can be deducted from your salary or wages. You can choose whether you contribute 3%, 4% or 8% from your earnings. If you're eligible you'll also be entitled to receive employer contributions. For more information read our factsheet *Your introduction to KiwiSaver – employee information (KS3)*.

## Find out more about KiwiSaver

Inland Revenue can't give you advice about whether you should join KiwiSaver or which scheme provider you should choose.

For help in making your decision, you can go to [www.sorted.org.nz](http://www.sorted.org.nz) This is the Commission for Financial Capability's website and it provides free, independent information about money matters, including KiwiSaver.

## How to contact us

### Phone

0800 KIWISAVER	(0800 549 472)
04 978 0800	if calling from a cellphone
00 64 4 978 0779	if calling from overseas

### Post

Inland Revenue  
PO Box 39010  
Wellington Mail Centre  
Lower Hutt 5045

### Website

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



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

Go to our website for information, services and tools.

- **My KiwiSaver** – log in to check your scheme provider, contributions and start date details.
- **Forms and guides** – download our guides and print forms to post to us.
- **Contact us** – for phone numbers, addresses and contact options.

For free, independent information about money matters go to [www.sorted.org.nz](http://www.sorted.org.nz)

[www.kiwisaver.govt.nz](http://www.kiwisaver.govt.nz) **New Zealand Government**