

Retirement and KiwiSaver

MONEY BITES





When I'm 80

Imagine you're 80 years old. Write a short shopping list for your 80-year-old self - BUT you must use your non-dominant hand to write the list.

Retirement goals

Visualise your retirement - what can you see yourself doing?
Use this as inspiration to record three goals for your retirement.

What I want to be/have/do when I retire

How many paydays until retirement?

Take 65

*(Or the age
you plan to
retire)*

Subtract

your age

Multiply by 26

*if you're paid
fortnightly
or 12 if you're
paid monthly*

**That's
how many
paydays you
have until
you turn 65!**

—

x

=

I have

**pay days until
I retire**

How does it feel?

KiwiSaver quiz!

1 KiwiSaver is compulsory. All working New Zealanders must be in it.

True False

2 KiwiSaver contributions are administered by Inland Revenue.

True False

3 People over 18 who start a new job will be automatically enrolled in KiwiSaver.

True False

4 Employers contribute a minimum of 3% of employees' pay to KiwiSaver. They may contribute more.

True False

5 People can choose their own KiwiSaver provider.

True False

6 Employees who haven't chosen a provider by three months after starting their job will be enrolled by Inland Revenue in a government-chosen default fund.

True False

7 KiwiSaver has some extra benefits, including the government contributing 50 cents for every dollar you put in, up to \$521 each year.

True False

8 First-home buyers can make a one-off withdrawal of all contributions and earnings on their KiwiSaver, but they must have had an account for at least five years and leave \$1000 in their KiwiSaver account.

True False

9 The government may also give KiwiSaver members up to \$5000 towards an older, existing home or up to \$10,000 for a new home or the land to build a new home on.

True False

10 People who join KiwiSaver can't take their money out until they're 65 and have been with KiwiSaver for at least five years, except if they:

A. make their first-home withdrawal

True False

B. experience significant financial hardship

True False

C. have an illness, injury or disability that affects their ability to work

True False

D. move overseas permanently

True False

E. are deceased, so their KiwiSaver money becomes part of their estate

True False

F. have a life-shortening congenital condition

True False

KiwiSaver calculator

sorted.org.nz/tools/kiwisaver-calculator ↗

Head over to the Sorted KiwiSaver calculator to find out how much you are on track to save by the time you retire.

At age 65, I could have \$



From age 65 until age , this would give me

\$ per week.

**Future me thanks
current me**



How much is enough?

It's challenging to estimate how much you'll need for your future lifestyle, but one way is to have a look at what retirees are spending now. These numbers are based on what retirees are spending on average **per week** today and are a guideline only.

*Numbers come from the Massey University New Zealand Retirement Expenditure Guidelines 2021 and the Sorted retirement calculator

One person

NZ Super \$437 per week

	Main centres Auckland, Wellington, Christchurch		Regions Everywhere else in NZ	
	No frills	→	A few luxuries	
per week	\$726		\$1029	
lump sum	\$252,000 + NZ Super		\$516,000 + NZ Super	
			\$605	→
			\$1116	
			\$146,000 + NZ Super	\$592,000 + NZ Super

Two people

NZ Super \$672 per week

	Main centres Auckland, Wellington, Christchurch		Regions Everywhere else in NZ	
	No frills	→	A few luxuries	
per week	\$865		\$1470	
lump sum	\$168,000 + NZ Super		\$669,000 + NZ Super	
			\$747	→
			\$1176	
			\$65,000 + NZ Super	\$439,000 + NZ Super

Retirement planner

sorted.org.nz/tools/retirement-planner ↗

I am aiming to have	<input style="width: 90%;" type="text"/>	Now I need to invest	<input style="width: 90%;" type="text"/>
I am on track to have	<input style="width: 90%;" type="text"/> *	I will need an extra	<input style="width: 90%;" type="text"/>

* Use this number for 'Your balance from KiwiSaver'.

Find the right fund

sorted.org.nz/myfundtype ↗

	Defensive	Conservative	Balanced	Growth	Aggressive
Your level of risk					
Likely ups and downs					
Potential results					
Invest for at least	1-3 years	2-6 years	5-12 years	10 years	13 years

Defensive

0% to 9.9% in growth assets.

Generally suitable if you:

Don't want your KiwiSaver account to ever go down (although there are no guarantees). Although, that means your account almost certainly won't grow as fast, over the long term, as investing in riskier funds.

Conservative

10% to 34.9% in growth assets.

Generally suitable if you:

Are willing to take on some ups and downs in value, and are seeking average long-term returns a bit higher than in a defensive fund but probably not as high as in riskier funds.

Balanced

35% to 62.9% in growth assets.

Generally suitable if you:

Are middle of the road, comfortable with seeing your account value sometimes fall a little and seeking mid-range long-term returns.

Growth

63% to 89.9% in growth assets.

Generally suitable if you:

Are looking for fairly high growth over the long term, and won't want to switch to a lower-risk fund whenever you see your account balance fall quite a lot.

Aggressive

90% to 100% in growth assets.

Generally suitable if you:

Are looking for strong long-term growth, knowing you will stick with your fund even when your balance falls fast.

The fund that suits me

Action plan

 **Goal**

Actions

Get it done by

Done!

 **Goal**

Actions

Get it done by

Done!

 **Goal**

Actions

Get it done by

Done!