

KiwiSaver News *November 2009*

Introduction

Please find below a summary of the changes since our last *KiwiSaver News* edition in May 2009.

New Referral Scheme

If you have friends or family who have either not commenced KiwiSaver or are unhappy with their existing scheme, please let us know as we would be delighted to assist them join the Staples Rodway KiwiSaver Scheme.

If someone referred to us by you joins the Staples Rodway KiwiSaver Scheme, we would like to show you our appreciation by making a **\$50 donation to the Child Cancer Foundation**. This referral scheme will run until 31 January 2010.

In order to tell us about the referral, your friend or relative will need to write your name in the 'Referrals' section of the application form (available on our website www.staplesrodway.com). All intending members should refer to the Scheme's Investment Statement (which is also available on our website www.staplesrodway.com) before becoming a member.



Staples Rodway is proud to support the Child Cancer Foundation

TERMS AND CONDITIONS

1. You will not have to pay for the cost of this promotion scheme. There are no extra charges to you as a member of the Staples Rodway KiwiSaver Scheme.
 2. The promotion will run from the date of this letter to 31 January 2010.
 3. A single amount for the total of all donations raised through this promotion will be paid to the Child Cancer Foundation by Staples Rodway Superannuation Ltd on or before 28 February 2010.
 4. The donation will only be made available for referrals of those members who are not already a member of the Staples Rodway KiwiSaver Scheme. Staples Rodway Superannuation Ltd reserves the right to extend this offer.
 5. This promotion is restricted to referrals from individuals. It is not applicable for employers registering a new employee.
 6. Staples Rodway Superannuation Ltd reserves the right to review and amend these terms and conditions at any time.
-

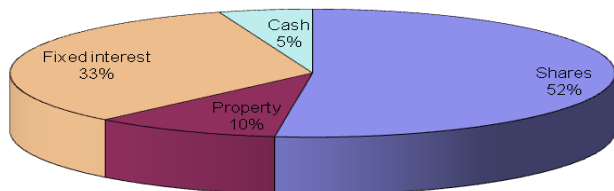
Change in fund manager

Tyndall Investment Management New Zealand Limited has recently been appointed as investment manager of the Staples Rodway KiwiSaver Conservative Fund. In our last quarterly review we found that Tyndall has consistently outperformed in this sector.

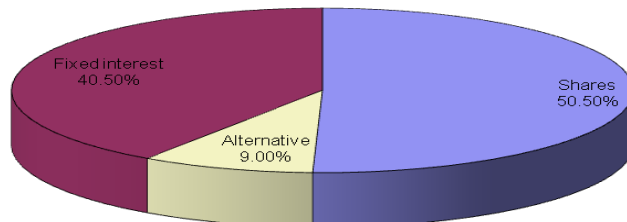
Benchmark investment portfolio adjustments

The benchmark investment portfolios (which may change from time to time) are currently as represented below:

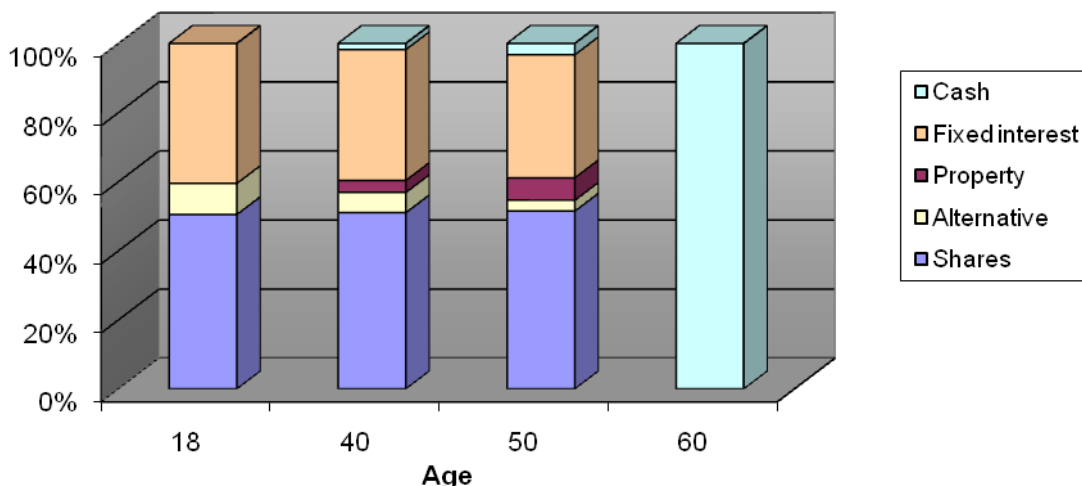
Staples Rodway KiwiSaver Balanced Fund



Staples Rodway KiwiSaver Growth Fund



Based on the current benchmark investment portfolios the composite portfolios of investment assets for the respective age groups can be illustrated as follows:



Proposed changes to PIE prescribed investor rates from 1 April 2010

The Government has announced proposals to amend the prescribed investor rates from 1 April 2010. In addition, portfolio tax rate entities will become known as multi-rate PIEs, and portfolio investor allocated income will become known as attributed PIE income.

The proposed new rates for individuals are:-

- 12.5% if taxable income is less than \$14,000 and total income, being combined taxable income and attributed PIE income (after subtraction of attributed PIE losses) is less than \$48,000;
- 21% if taxable income is less than \$14,000 and total income is between \$48,001 and \$70,000 total income;
- 21% if taxable income is between \$14,001 and \$48,000 and total income is \$70,000 or less;
- 30% if none of the above apply.

Note to qualify for a rate lower than 30%, an individual need only meet the criteria for one of the two preceding income years.

We will keep you updated on progress with these proposed changes.

Update on KiwiSaver first home deposit subsidy and first home withdrawal

This is an update of the final decisions Government has made for the KiwiSaver first home deposit subsidy and previous home owners' eligibility for first home withdrawal.

The first home withdrawal process is managed by KiwiSaver scheme providers and only involves Housing New Zealand Corporation when a previous home owner applies to withdraw their contributions to buy a home.

The KiwiSaver regulations state that previous home owners are eligible for the first home withdrawal and deposit subsidy if "the Minister of Housing or delegate is satisfied that the income, assets and liabilities of the person represent a financial position that would be expected of a person that has never held an estate in land."

Previous home owners will qualify for first home withdrawal where:-

- their income is within the income caps established for general eligibility for the deposit subsidy. The income caps are \$100,000 for one or two people, and \$140,000 for more than two people;
- they have realisable assets of no more than 20 percent of the relevant regional house price cap;
- a commercial lender is satisfied that the household's liabilities are at an acceptable level and has approved mortgage finance.

Housing New Zealand is developing the administrative processes for these tests and will communicate the process before July 2010.

To be eligible for the first home deposit subsidy, applicants must:-

- contribute a minimum of two percent of their income for at least three years to KiwiSaver or a complying fund, or an exempt employer fund;
- be a first home buyer (or a previous home owner in a similar financial position to a first home buyer);
- be buying a house within the regional house price caps;
- have a household income within the income caps (the income caps are \$100,000 for one or two people, and \$140,000 for more than two people);
- live in the house for at least six months.

The Government has also agreed the following rules for the first home deposit subsidy:-

- contributions made by KiwiSaver members prior to turning 18 years of age will count towards eligibility for the deposit subsidy if they meet minimum contribution requirements. However, applicants must be aged 18 years or over to meet standard lending criteria
- contributions made to an Australian superannuation scheme and then transferred to KiwiSaver will not count towards eligibility for the deposit subsidy
- applicants must be resident in New Zealand to be eligible for the deposit subsidy to align to the residency requirements in the KiwiSaver Act 2006

Further Information

If you have any questions about these changes, or the Scheme, you may contact:

Staples Rodway Superannuation Limited
c/- Staples Rodway Limited
Level 11, Tower Centre
45 Queen Street
Auckland
Tel: 09 309 0463

or
The Administration Manager
Aon New Zealand Limited
Level 2, AMP Centre
29 Customs Street West
Auckland
Tel: 09 362 9000