

Staples Rodway KiwiSaver Scheme:  
EMPLOYER

## **What is KiwiSaver?**

KiwiSaver is a work-based savings scheme designed to help employees save for retirement.

Employers have to automatically enrol new employees and existing employees that choose to opt in to the scheme. Employers will have to deduct 2%, 4% or 8% from these employees' salary and wages.

More than one million New Zealanders have enrolled in the scheme to date since the launch in 2007. The lower 2% contribution threshold for employees since 1 April 2009 is expected to attract even more people to the scheme.

## **What do Employers Need to do Now?**

Employees will want information on KiwiSaver and how to invest their money. One decision an employer has to make is whether to choose a KiwiSaver scheme for their employees who do not choose their own scheme.

Employers have the option of either doing nothing or taking a 'front foot' approach. If you do nothing, employees that don't choose their own KiwiSaver scheme will end up being allocated to one of six "default schemes". Because of their conservative nature (at least 75% in cash investments), these schemes may be very inappropriate for some employees, particularly those 10 years or more away from retirement.

An alternative pro-active approach is to choose a particular KiwiSaver scheme as your chosen scheme. This means that if employees don't choose their own KiwiSaver scheme they will go into their employer's chosen scheme. By electing for this option your employees are likely to end up in a scheme that is more suitable to their investment needs.

Essentially, not only will you be taking better care of your employees but you will be guided through the implementation process.

Employers who choose a scheme will not be responsible for the performance of that scheme and will not be regarded as an issuer or promoter of the scheme under the Securities Act.

## **Key Distinction of the Staples Rodway KiwiSaver Scheme**

The major point of distinction of the Staples Rodway KiwiSaver Scheme is that it is not a captive scheme, that is, the investment choices are not confined to investment products provided by one organisation.

Instead, independent investment managers have been selected on the basis of performance and managerial quality. Performance of the managers selected will be monitored and adjustments made if required so as to maximise returns to investors over the long term. This “best of breed” approach avoids the potential conflict of interest issues that can apply to other schemes that only offer related party products.

## **What will it Cost?**

There is no cost to employers for choosing the Staples Rodway KiwiSaver Scheme.



## Other reasons for choosing the Staples Rodway KiwiSaver Scheme

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- 1 Low Fees** – There are no entry fees. Our ongoing fee will be competitive.
- 2 Ease of Use** – Employees can choose any combination of our Conservative, Balanced and Growth funds. An Investment Attitudes Questionnaire will help them with their choice. Alternatively an employee can choose an age group option which will mean they are automatically invested in a combination of funds considered appropriate for their age group.
- 3 Flexible Investment Strategy** – Employees can allocate any or all of their contributions between our Conservative, Balanced and Growth funds. Flexible allocation means that our offerings suit individuals with varying risk and return profiles.
- 4 Portfolio Investment Entity ('PIE') classification** – Our funds will be subject to the PIE regime, meaning tax savings for higher income earners (annual taxable income greater than \$70,000 per annum), and tax efficiency for lower income earners (annual taxable income less than \$48,000 per annum).

# KiwiSaver for the Employer

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Employers' main KiwiSaver responsibilities include:

- giving a KiwiSaver information pack (KS3) to new employees when they start if the employer is satisfied the person should be automatically enrolled, and to existing employees who want to opt in or ask for one
- giving Inland Revenue the names, IRD numbers and addresses of all new employees and those who want to join KiwiSaver, using a new form - KiwiSaver enrolment details (KS1) that they send in monthly with their employers monthly schedule
- deducting employees' contributions from their before-tax pay and forwarding them to Inland Revenue along with their PAYE
- ensuring new employees' contributions start from their first pay and forwarding them to Inland Revenue along with your PAYE
- refunding any contributions deducted if they haven't been passed on to Inland Revenue when an employee opts out of KiwiSaver
- providing investment statements to all employees if the employer has chosen a preferred KiwiSaver scheme
- acting on opt out and contribution holiday letters
- start or stop deductions when Inland Revenue advises you to
- keeping the required KiwiSaver records

Since 1 April 2009 employers are also required to match employees' contributions of 2% of salary and wages (increased from 1% in the 2008/9 tax year). As from 1 April 2009, the employer tax credit no longer applies.

Note: The employer will have to pay employer superannuation contribution tax (ESCT) on any employer contributions exceeding the compulsory 2%.

Further information for employers about what KiwiSaver means for them is on the Inland Revenue website.



The Commissioner  
Inland Revenue Department  
PO Box 1454  
Hamilton

#### EMPLOYER CHOSEN KIWISAVER SCHEME

It is agreed that \_\_\_\_\_ (the Employer) selects the Staples Rodway KiwiSaver Scheme (the Scheme) to be the Employer's chosen KiwiSaver scheme for the purposes of sections 46 to 49 of the KiwiSaver Act 2006. Notice of that choice is hereby given to the Commissioner of Inland Revenue.

Staples Rodway Super Fund Trustee Limited (the Trustee and Provider) acknowledges that the Scheme has been chosen as the Employer's chosen KiwiSaver scheme and agrees to provide access to the Scheme for the Employer's employees.

The Employer agrees to verify the identity of each employee in accordance with the requirements of the Financial Transactions Reporting Act 1996 prior to that employee joining the Scheme. The Employer will keep records of that verification and provide access to those records to the Trustee when reasonably requested by the Trustee.

Employer \_\_\_\_\_ IRD Number \_\_\_\_\_

Signature \_\_\_\_\_ Address \_\_\_\_\_

Print Name \_\_\_\_\_

**Provider** Staples Rodway Super Fund  
Trustee Limited

**Scheme** Staples Rodway KiwiSaver Scheme

**IRD Number** 91 092 700

**IRD Number** 91 092 204

Level 11, Tower Centre  
45 Queen Street  
Auckland

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45 Queen Street  
Auckland

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Please tear off and post to:  
Staples Rodway  
Superannuation Limited,  
PO Box 3899, Auckland.



**Call us now to discuss on 0800 44 64 99**

[www.staplesrodway.com](http://www.staplesrodway.com)