



Marlborough Financial Services Limited  
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Protecting your life and your lifestyle.

Winter 2007

Dear #First Name#,

### The KiwiSaver bumper issue

After much debate and discussion, KiwiSaver has finally arrived!

The team at Marlborough Financial Services have been flat out implementing KiwiSaver over the past few months and this looks set to continue for the rest of the year.

Our experiences have shown that the number of employees joining KiwiSaver is actually quite high when KiwiSaver has been explained fully to them. Unfortunately, there still appears to be a lot of mis-information and incorrect facts being provided and many employers seem to be making decisions on behalf of their employees.

To ensure that you can **make an informed decision** on whether to join KiwiSaver or not, you need to make sure that you know all the facts and how these will affect you. If you are one of those who need a bit more help than just reading a brochure, you can [contact us](#) to arrange a personal meeting.

This issue includes further KiwiSaver information and reviews some of our past KiwiSaver commentary. Again we hope that you find this newsletter useful - but if you'd rather not receive it - simply click on the 'unsubscribe' link at the bottom of this email.

If you have a friend that would enjoy reading our newsletter, you can also [send them a copy](#) to read.

Kind regards

The team at Marlborough Financial Services

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## KiwiSaver - information for employees

People who save through KiwiSaver will benefit from a tax credit that matches their contribution, up to a maximum of \$20 per week (\$1,040 per year) from 1 July 2007.

For those who are employees, compulsory matching employer contributions will also be phased in from 1 April 2008 (subject to legislation being passed).

These additional contributions will increase the funds available to members on retirement, helping to improve the adequacy of retirement incomes.

### Benefits

## in this update

:: [Who can you talk to about KiwiSaver?](#)

:: [KiwiSaver - information for employees](#)

:: [KiwiSaver - information for employers](#)

:: [Important websites](#)

:: [Thought for the day](#)

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### Who can you talk to about KiwiSaver?

#### If you need KiwiSaver advice, who can you talk to?

After attending KiwiSaver presentations by several large organisations and talking with other KiwiSaver fund providers, it has become apparent that your options for obtaining face-to-face KiwiSaver advice could be limited.

Many KiwiSaver fund providers are indicating that a free phone number or website will be their only methods for providing KiwiSaver advice. We believe that potential KiwiSaver members will not be getting the advice or service that they need with this type of approach.

Marlborough Financial Services are working closely with local businesses by providing staff presentations on KiwiSaver and assisting business owners to implement KiwiSaver in their businesses.

As your local KiwiSaver experts, we will also be offering financial advice to individual KiwiSaver members.

- All KiwiSaver members will be entitled to a \$1,000 kickstart from the government.
- All KiwiSaver members will be entitled to an annual fee subsidy of \$40.
- From 1 July 2007, all member contributions to KiwiSaver (and complying superannuation funds) will be matched by a tax credit of up to \$20 per week (\$1,040 per year) that will be paid directly into their KiwiSaver account (or complying superannuation fund).
- From 1 April 2008, all employees contributing to KiwiSaver (and complying superannuation funds) will also be entitled to a matching employer contribution (subject to legislation being passed).

[Read more.....](#)

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## KiwiSaver - information for employers

From 1 April 2008 employers will need to match their employees' contributions to KiwiSaver (subject to legislation being passed). The contributions will be phased in over a four year period, starting at 1 per cent of an employee's gross salary and rising to 4 per cent by 1 April 2011.

The government will reimburse employers for their contributions to KiwiSaver (or a complying superannuation fund) by providing a matching tax credit up to a maximum of \$20 per week (\$1,040 per year) per employee.

Employer tax credits will be paid to employers through the PAYE system. This will ensure that the tax credit will be paid at the same time the employer contribution is made to minimise cashflow impacts and compliance costs for employers.

Employers and others will have the opportunity to comment on these proposals through the usual Select Committee consultation process.

KiwiSaver will provide employers with an extra wage bargaining tool and will improve the competitiveness of New Zealand employers in the global labour market. [Read more....](#)

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### Marlborough Financial Services Ltd

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#### Disclaimer:

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#### Get expert advice

To receive expert advice for you or your business, you can [contact us](#) to discuss getting started with KiwiSaver and to obtain personal financial advice on your KiwiSaver options.

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#### Important websites

For information on KiwiSaver for employers and employees and access to financial planning information

[www.marlboroughfs.co.nz](http://www.marlboroughfs.co.nz)

The official KiwiSaver website [www.kiwisaver.govt.nz](http://www.kiwisaver.govt.nz) for all KiwiSaver information.

The Inland Revenue KiwiSaver website for your forms and application documents

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

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#### Thought for the day

"When a man retires and time is no longer a matter of urgent importance, his colleagues generally present him with a watch". ~ **R. C. Sherriff**