



**Ministry of Business,
Innovation & Employment**

KiwiSaver Default Provider (Mercer)

Amendment Notice 2019

This notice is issued pursuant to clause 16 of Schedule 3 of the KiwiSaver Default Provider (Mercer) Notice 2014 and amends the fees that can be charged by a default provider by introducing a maximum amount.

Issued at Wellington this 14th day of April 2019.

Hon Grant Robertson

Minister of Finance

Hon Kris Faafoi

Minister of Commerce and Consumer Affairs

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Notice

1 Title

This notice is the KiwiSaver Default Provider (Mercer) Amendment Notice 2019.

2 Commencement

This notice comes into force on 1 May 2019.

3 Application

This notice applies to Mercer (NZ) Limited.

4 Interpretation

In this notice, unless the context requires otherwise—

principal notice means the KiwiSaver Default Provider (Mercer) Notice 2014 dated 16 April 2014.

KiwiSaver Default Provider (Mercer) Amendment Notice 2019

5 Fees Amended

The table in clause 1 of Appendix 2 of Schedule 3 of the principal notice is omitted and replaced by the following table

Fee or cost type	Amount (gross of taxation)
Fund management fees	A maximum of 0.50% per annum. The fee is calculated on the net asset value of the default investment product whenever the default investment product's unit price is calculated.
Trustee fees	A maximum of 0.03% per annum, calculated on the net asset value of the default investment product whenever the default investment product's unit price is calculated.
Other fund fees	Actual costs associated with managers of underlying funds may be deducted from the returns received from those managers.
Membership fees	A maximum of \$2.50 per default member per month. This fee is deducted each month from the default member's account.
Any other fees or expenses	<p>Costs for ordinary expenses such as audit fees, tax fees and legal fees will be met by the default provider except to the extent that they relate to Exceptional Services as described in clause 2.</p> <p>Performance based fees charged by managers of underlying funds may be deducted from the returns received from those managers.</p>
Expense reimbursement and indemnity	As provided in the trust deed (and in addition to the indemnities at law). Anticipated ordinary expenses will be met by the default provider as described above under any fees, costs or expenses. The trustees and, through the trustee, the default provider may receive further recovery of unexpected extraordinary expenses under the relevant provisions of the trust deed. Any amounts paid to the trustee out of default KiwiSaver scheme property under those provisions will be passed on to default members by such mechanisms as the trustee shall determine.