AMP KiwiSaver Scheme

31 March 2019

Joining and Contributing

This document provides additional information about joining and contributing to the AMP KiwiSaver Scheme (Scheme) and should be read with the Product Disclosure Statement (PDS) for the Scheme and any quarterly fund updates given to you with the PDS.

This information describes how you, your employer and the Government make contributions to the Scheme. Contributions and eligibility criteria for joining a KiwiSaver scheme are governed by the KiwiSaver Act and may change in the future.

Contents

Admission of investors

An eligible individual (as outlined below) may be admitted to membership of the Scheme:

- by way of automatic enrolment as a 'default' investor when starting new employment (due to either being allocated to the Scheme by Inland Revenue or the Scheme being their employer's chosen KiwiSaver scheme); or
- by giving an employer a KiwiSaver deduction notice and then not choosing a KiwiSaver scheme within three months after Inland Revenue receives the resulting contributions (where the Scheme is the employer's chosen KiwiSaver scheme, or the employee is allocated to the Scheme by Inland Revenue); or
- by contracting directly with AMP (in which case we may at our discretion refuse to admit that person to membership),

subject, in each case, to the provisions in the KiwiSaver Act concerning 'invalid enrolments', as set out in the next section.

Subject to the requirements of the KiwiSaver Act relating to minors' enrolments, any person under the age of eligibility for New Zealand Superannuation (currently, this is age 65), whether employed or not (including a beneficiary, a self-employed individual, and a person aged under 18), is eligible to join the Scheme if you are;

- living or normally live in New Zealand, or an employee of the State services (within the meaning of the State Sector Act 1988) who is:
  - serving outside New Zealand;
  - employed on New Zealand terms and conditions; and
  - serving in a jurisdiction where offers of KiwiSaver scheme membership are lawful; and
- a New Zealand citizen (or entitled to permanent residence in New Zealand).

From 1 July 2019 a person will be able to join KiwiSaver regardless of their age. Persons joining prior to this date can only join KiwiSaver if they are younger than the qualifying age for New Zealand superannuation (currently age 65). However you may join the Scheme if you are over the age of eligibility for New Zealand Superannuation if you transfer to the Scheme from another KiwiSaver scheme provider.

Subject to the requirements of the KiwiSaver Act, we may from time to time prescribe differing terms and conditions of membership for people:

- who become investors due to being allocated to the Scheme by Inland Revenue;
- who become investors by choosing the Scheme, their employer choosing the Scheme or their transferring from another KiwiSaver scheme or a complying superannuation fund;
- who are employed by a Participating Employer and participate in a plan established within the Scheme for that Participating Employer (see Participating Employers in the 'AMP KiwiSaver Scheme Who is involved?' document on the AMP website **amp.co.nz/kiwisaver**); and
- whose employer has made the Scheme the employer's chosen KiwiSaver scheme, but is not a Participating Employer.

Invalid enrolments

If an invalid enrolment is confirmed, we must:

- pay the current market value of your investment (i.e. all amounts contributed, plus or minus positive or negative returns and less any permitted withdrawals made), less any amount that has been transferred to the Scheme from an Australian complying superannuation fund, to Inland Revenue;
- pay any amount that has been transferred to the Scheme from an Australian complying superannuation fund (or, if it is a lesser amount, the current market value of your investment) back to that Australian complying superannuation fund, or to another Australian complying superannuation fund chosen by you (or chosen by Inland Revenue, if you do not choose an Australian complying superannuation fund and it is not appropriate to pay the transferred amount back to the original scheme); and
- treat any amount that has been transferred to the Scheme from a UK pension scheme on a case-by-case basis and in accordance with applicable legislation.

Inland Revenue must then refund to the affected person:

- the amount of his or her own contributions (excluding any amount transferred from an Australian complying superannuation fund), less permitted withdrawals; and
- any contributions from that person held by Inland Revenue but not yet passed to the Scheme,

together with interest calculated in the manner prescribed by the KiwiSaver Act.

Member Accounts

AMP will establish and maintain for each investor one or more member accounts, denominated in units. The accounts will generally comprise of member accounts, employer accounts, a transfer account and a government account, as follows:

- one or more member accounts, principally comprising units issued in respect of member contributions. Each member account will be designated, in practice, as either a member account (for members' contributions through, and monies received from, Inland Revenue) or a member direct debit and additional contributions account (for members' contributions direct to the Scheme);
- one or more employer accounts, principally comprising units issued in respect of employer contributions;
- a transfer account, principally comprising units issued in respect of any amounts transferred to the Scheme from a United Kingdom pension scheme or an Australian complying superannuation fund; and
- a government account, comprising units issued in respect of Government contributions and any kick-start contribution.

We may also establish and maintain, for a Participating Employer whose contributions (over and above the compulsory minimum) are subject to a vesting period, an employer reserve account. This will principally comprise units issued in respect of amounts forfeited from employer accounts after investors have left that Participating Employer's employment before completing the vesting period.

We can from time to time establish other accounts, establish sub-accounts within accounts, or amalgamate two or more accounts, in each case on such terms and conditions as we consider appropriate.

For further detail on member accounts, refer to the 'member accounts' section of the Trust Deed.

Contributions

When you are in paid employment your contributions to the Scheme start at 3% of your before-tax (or 'gross') salary or wages, though you can contribute more if you wish. Usually your employer and the Government will also contribute to your Scheme account. If you are not in paid employment, you can contribute any amount any time. How to do this is explained below.

Member contributions

There are several ways to contribute to the AMP KiwiSaver Scheme.

How to contribute if you are in paid employment

If you are in paid employment you can contribute an amount equal to 3%, 4%, 6%, 8% or 10% of your before-tax salary or wages. Your contributions will be deducted (taken out) from your after-tax pay and transferred to Inland Revenue. Inland Revenue will then transfer your contributions to the Scheme, where they will be used to purchase units in your chosen fund or funds. If you do not choose a rate, you must contribute 3%.

When you join the Scheme for the first time, Inland Revenue will hold any contributions you make via your employer in an interest-bearing account for three months. Inland Revenue then transfers your contributions, together with any interest, to the Scheme. Any contributions made after the first three months will be transferred via Inland Revenue directly to the Scheme once processed (along with any interest payable under the KiwiSaver Act).

To change your contribution rate you will need to notify your employer. The new rate will only apply from the next salary or wage payment after your employer receives that notice. You can change your rate once every three months, unless your employer agrees otherwise.

For example, you can change your contribution rate (as a percentage of your salary or wages) to another permitted rate at any time, or take a 'savings suspension', provided you meet certain conditions (see 'savings suspension' below).

You can also stop contributing to the Scheme when you reach your qualifying date. This is set out in further detail in the 'AMP KiwiSaver Scheme Withdrawing' document on the AMP website at **amp.co.nz/kiwisaver.**

How to contribute if you are self-employed or not working

If you are self-employed or not working you can choose to make regular contributions or occasional lump-sum contributions (see 'member voluntary contributions' below). You can make payments to Inland Revenue or directly to AMP.

If you are not receiving salary or wages, the KiwiSaver Act does not impose any minimum amount or rate of contributions. However, it's possible a minimum amount or rate of contribution may apply in the future, and we can set minimum amounts or rates for voluntary contributions (see below).

Member voluntary contributions

You may choose to make regular or lump-sum contributions, as described in the table below:

Contribution option	Contribution information
Regular contributions (direct debits)	You can make regular payments (additional to those deducted from any salary or wages) direct to the Scheme by direct debit. **Frequency** Your payments can be made weekly, fortnightly, four-weekly, monthly or yearly. **Minimum amount** There is currently no minimum amount if you set up a direct debit with us. **How to set up a direct debit** Complete the Direct Debit Authority (included at the back of the PDS) along with your Application form. **Changing your payment instructions** If you're already an investor in the Scheme, you can set up a new direct debit, or change an existing one on My AMP. To login, go to **amp.co.nz/myamp**. Alternatively, the form is available on the AMP website at **amp.co.nz/amp/forms** or call us on **0800 AMP KIWI (0800 267 5494).**
Lump-sum contributions	You can make lump-sum payments via Inland Revenue or directly to AMP. **Frequency** You can make a lump-sum payment at any time. **Minimum amount** Payments via internet banking to AMP directly must be at least $50. Currently, no minimum amount applies for other payment methods. **How you make lump-sum payments** You can make lump-sum payment by: 1. Internet banking a) Enter 'AMP KiwiSaver Scheme' – we are pre-registered so our account details will load automatically; or b) Use the 'Pay Tax' option – select KiwiSaver member account (KSS); or 2. Send a cheque to Inland Revenue. Write your IRD number and 'KSS' on the back and post it to Inland Revenue, PO Box 39050, Wellington Mail Centre, Lower Hutt 5045.

If your regular direct debit or lump-sum payments do not clear, for example, there is not enough money in your bank account, the units we have purchased with your money will be cancelled.

Transfers to the Scheme

You can also transfer savings from other retirement schemes to the Scheme.

Transfer from	Details
Another KiwiSaver scheme	You can transfer savings from another KiwiSaver scheme to the Scheme at any time. Fill out the application form or apply online and we will organise the transfer for you.
A New Zealand superannuation scheme or workplace savings scheme	If you are an investor in a workplace savings scheme or superannuation scheme and you are eligible to make a withdrawal, you may be entitled to transfer your savings to the Scheme. Otherwise, you will need to meet your provider's transfer requirements. You will need to contact the provider of your scheme for details. To transfer your savings from another AMP product, please advise us on the application form.
An Australian complying superannuation fund	You can transfer savings from an Australian complying superannuation fund if you have permanently immigrated to New Zealand.

Employer contributions

Generally, your employer must contribute to your Scheme account while you are contributing from your salary or wages, provided you:

- have reached age 18;
- have not reached your qualifying date; and
- are eligible for compulsory employer contributions (see below).

After you reach your qualifying date, you can keep contributing, however your employer will not be required to continue to contribute (although they may choose to do so).

If you first join KiwiSaver on or after 1 July 2019, your qualifying age is when you reach NZ Super age (currently 65), unless you have transferred to KiwiSaver from a complying superannuation fund which you joined before 1 July 2019, in which case your qualifying age will be the later of age 65 and 5 years after you joined that fund.

If you joined before 1 July 2019, your qualifying date is the later of:

- age 65; or
- five years after you first joined a KiwiSaver scheme or, if you transferred to KiwiSaver from a complying superannuation fund, five years after you joined that fund.

From 1 April 2020, if you joined prior to 1 July 2019 and your qualifying date is later than age 65, you can instead choose age 65 as your qualifying date. If you do so then from age 65, or from the date of that election if later, you will lose your eligibility for any future Government and compulsory employer contributions (though your employer may choose to continue contributing).

At the date of this document, your employer is required to contribute 3% of your before-tax salary or wages. Employer superannuation contribution tax is deducted from these contributions before the transfer to the Scheme – see the separate 'AMP KiwiSaver Scheme Tax' document on the AMP website at **amp.co.nz/kiwisaver**.

In certain circumstances, you may not be entitled to compulsory KiwiSaver employer contributions if your employer is already contributing to a registered superannuation scheme for you.

If your employer has established their own plan within the AMP KiwiSaver Scheme, they may have agreed to contribute more than the compulsory rate on your behalf. If relevant, you can find out how much your employer is contributing in the member's booklet for your employer's plan. A copy will have been given to you with the PDS.

At the date of this document, employer contributions to a retirement scheme for your benefit will count towards compulsory employer contribution entitlements if your employer provided eligible employees with access to that scheme before 17 May 2007 and:

- the employer employed you before 1 April 2008, and before then made or agreed to make contributions to that scheme for your benefit; or
- you are covered by a collective agreement that was in force before 17 May 2007 and expires after 1 April 2008, under which the employer is required to contribute to that scheme for your benefit; and
- to the extent that the employer's contributions to the scheme 'vest' (i.e. are completely allocated to you) no more than five years after they are paid.

Employer contributions to other schemes for your benefit may also count towards compulsory employer contribution entitlements in other limited circumstances set out in the KiwiSaver Act.

If you and your employer agree, then your employer's compulsory contributions can be paid to a complying superannuation fund on a KiwiSaver-consistent 'locked-in' basis instead of to a KiwiSaver scheme.

All employer contributions to the Scheme (both compulsory and voluntary) must be paid via Inland Revenue, except contributions for purposes other than retirement benefits (such as paying life insurance premiums or contributing to the cost of the Scheme itself), which must be paid directly to AMP.

Government contributions

To encourage you to save, the Government may also make contributions to your Scheme account.

If you qualify, the Government will make a contribution to your account of 50 cents for every dollar you contribute to the Scheme, up to a maximum contribution of $521.43 a year (from 1 July to 30 June). This means that if you contribute $1,042.86 or more each year, you will get the maximum.

You're eligible if you:

- are aged between 18 and your qualifying date; and
- mainly reside in New Zealand, unless you're living overseas as a Government employee or you're volunteering overseas or working for token payment for specified charitable organisations.

From 1 April 2020, if you:

- joined prior to 1 July 2019; and
- you have not reached your qualifying date, which means that it has not been five years since you joined KiwiSaver or if you transferred from a complying superannuation fund to a KiwiSaver scheme, 5 years since you first became an investor in that complying superannuation fund,

if you make a withdrawal after turning age 65, from the date of first withdrawal you will lose eligibility to any future entitlements to Government contributions.

If you first join KiwiSaver on or after 1 July 2019, your qualifying age is when you reach age 65, unless you have transferred to KiwiSaver from a complying superannuation fund which you joined before 1 July 2019, in which case your qualifying age will be the later of age 65 and 5 years after you joined that fund.

You'll receive a Government contribution based on the number of days in the year that you were eligible and an investor in a KiwiSaver scheme. These may be paid to a complying superannuation fund you are an investor in, instead of the Scheme, in some circumstances.

AMP will claim these annually on your behalf. When you withdraw from the Scheme we will be able to claim on your behalf for the current Government contribution year period for which you were an investor in the Scheme and eligible to receive these.

When we receive these, paid to the Scheme for your benefit, we will:

- use it to purchase units in the fund or funds that you have chosen (or the fund to which you have been allocated) in the same proportions as other contributions; or
- add it to your benefit if you are withdrawing your full entitlement from the Scheme.

If you have withdrawn from the Scheme without transferring to another KiwiSaver scheme (or have died or suffered serious illness), Inland Revenue may pay the Government contribution for the relevant Scheme year directly to you (or to your estate or another permitted recipient in the case of death).

The PDS for the Scheme and the 'AMP KiwiSaver Scheme Withdrawing' document on the AMP website set out when you can withdraw your Government contributions as a permitted withdrawal.

Contributions that qualified for Government contribution when paid to the Scheme will continue qualifying for the relevant year, even if, they have been withdrawn.

Savings suspension

If you are employed you may apply to Inland Revenue for a savings suspension (i.e. stop contributing to the Scheme) if:

- you are suffering (or are likely to suffer) financial hardship at any time after Inland Revenue received your first contribution. If a savings suspension is granted, the duration of that suspension will be three months (or a longer period if Inland Revenue agrees); or
- twelve or more months have passed since the date when:
  - Inland Revenue received your/your employer's first KiwiSaver contribution; or
  - the date (if earlier) when a KiwiSaver scheme first received your/your employer's contribution or you first joined a complying superannuation fund.

  If a savings suspension is granted, the duration of the suspension will be a minimum of three months and a maximum of one year.

If Inland Revenue grants a savings suspension they will notify you, your employer and AMP.

When the savings suspension period expires, you can apply to Inland Revenue for another savings suspension (there is no limit on the number of successive savings suspensions).

Contributions accepted by AMP

We are required to accept into the Scheme:

- all contributions that are received for you through Inland Revenue under the KiwiSaver Act, unless we have reasonable cause to believe those contributions have not been correctly deducted or remitted to the Scheme (or that we have not been given the necessary information from Inland Revenue);
- Crown contributions (see the Government contribution section of this document);
- contributions required to be made to the Scheme under a Participation Agreement with a Participating Employer;
- amounts transferred from other KiwiSaver schemes or retirement schemes in accordance with the KiwiSaver Act.

We may, but need not, accept other contributions and monies payable to the Scheme, and may impose additional fees for accepting voluntary lump sums. We may require that amounts contributed or paid to the Scheme other than those referred to above must exceed a minimum amount, and must be made in New Zealand currency. We may also impose other conditions for accepting those amounts.

We may also agree a minimum threshold amount with Inland Revenue in the future. This would be the minimum amount for payment of contributions to the Scheme.

Glossary

AMP, **we**, **our** and **us** means AMP Wealth Management New Zealand Limited, the manager of the AMP KiwiSaver Scheme.

Australian complying superannuation fund means an entity that is a complying superannuation fund for the purposes of Part 5, Division 2 of the Superannuation Industry (Supervision) Act 1993 (Aust) and that is regulated by the Australian Prudential Regulation Authority.

Complying superannuation fund means a workplace savings scheme or superannuation scheme that is not a KiwiSaver scheme, but has rules enabling or requiring a KiwiSaver equivalent lock-in of balances. It must be approved by the Financial Markets Authority and registered under the Financial Markets Conduct Act 2013.

Current or **currently** means that legislation, policy or a practice is current as at the date of this document but may change at any time without notice.

Fund means an investment fund established in the AMP KiwiSaver Scheme.

Government Contribution means the contribution the Government will make to your AMP KiwiSaver Scheme savings if you are eligible.

An **invalid enrolment** in a KiwiSaver scheme will occur if a person:

- does not meet the citizenship or residency requirements prescribed in the KiwiSaver Act; or
- is ineligible to join a KiwiSaver scheme because they have reached the qualifying age for New Zealand superannuation, which is currently age 65, however from 1 July 2019 you will be able to join regardless of your age; or
- they were under 18 but did not comply with the specific requirements applying to opt-ins by those aged under 18.

or if, when automatically enrolled, a person does not meet the requirements of the automatic enrolment rules (for example, they are aged under 18, in temporary employment, or haven't commenced new employment as defined in the KiwiSaver Act).

Kick-start means a one-off contribution of $1,000 paid by the Government to the first KiwiSaver scheme you joined, if this was prior to 2pm, 21 May 2015. The kick-start contribution is not available to you if you joined on or after 2pm, 21 May 2015.

KiwiSaver Act means the KiwiSaver Act 2006, as amended from time to time. You can read this Act at **legislation.govt.nz**.

Participating employer means an employer that has entered into a Participation Agreement.

Participation Agreement means an agreement entered into between AMP and an employer that prescribes conditions on which all or any of the employer's employees may become investors, as amended from time to time.

PDS means the Product Disclosure Statement for the Scheme.

Qualifying date means:

If you joined KiwiSaver before 1 July 2019, the later of:

- the qualifying age for New Zealand Superannuation (currently age 65); and
- 5 years after:
  - you first joined KiwiSaver;
  - Inland Revenue received your/your employer's first contribution; or
  - if you transferred to KiwiSaver from a complying superannuation fund, 5 years after you joined that fund.

From 1 April 2020, if you have not reached your qualifying date and are over age 65 you can choose to withdraw your savings. However, if you do so then from that age (or your election date if later) you will lose eligibility for government or compulsory employer contributions.

If you join KiwiSaver on or after 1 July 2019, age 65, unless you have transferred to KiwiSaver from a complying superannuation fund which you joined before 1 July 2019, in which case your qualifying age will be the later of age 65 and 5 years after you joined that fund.

Quarterly fund update means a quarterly fund update prepared for an investment option within the Scheme.

Retirement scheme means any registered KiwiSaver scheme, superannuation scheme, workplace savings scheme, or other overseas superannuation scheme in respect of which transfers to or from the Scheme are permissible.

Salary or **wages** means the taxable income paid in respect of your employment with:

- the employer through which you have been automatically enrolled into KiwiSaver; or
- if you opt into KiwiSaver, your employer (or employers, if you have more than one job, unless you choose only one or more employers); and
- any employer that later employs you.

This includes overtime, bonuses, and certain allowances. It also excludes, for compulsory employer contribution purposes, parental leave payments out of public money, and ACC compensation. It excludes exempt income payments, employer superannuation contributions, and redundancy payments.

Scheme means the AMP KiwiSaver Scheme.

Serious illness as per the KiwiSaver scheme rules set out in the KiwiSaver Act is defined as an injury, illness or disability:

- that results in you being totally and permanently unable to engage in work for which you are suited by reason of experience, education, or training, or any combination of those things; or
- that poses a serious and imminent risk of death.

Phone 0800 267 5494
Email kiwisaver@amp.co.nz
Web amp.co.nz
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Want to know more?

For more information about the Scheme, please see the Scheme's current PDS and most recent quarterly fund updates at amp.co.nz/kiwisaver or contact us on 0800 AMP KIWI (0800 267 5494) or talk to your Adviser today.

Your Adviser's disclosure statement is available from your Adviser on request and free of charge.