

Aon KiwiSaver Scheme

Withdrawing

This document provides additional information on withdrawals from the Aon KiwiSaver Scheme. Withdrawal rules are governed by the KiwiSaver Act and may change in the future.

This document should be read in conjunction with the Aon KiwiSaver Scheme ('Scheme') product disclosure statement dated 1 February 2021 ('PDS'). This document and other material information documents regarding the Aon KiwiSaver Scheme, including a glossary of terms used can be found at aonkiwisaver.co.nz or on the Disclose Register at disclose-register.companiesoffice.govt.nz.

Issued by **Aon Saver Limited**

Dated: 1 February 2021



Withdrawing

Generally, you can't make a withdrawal from your account until you have reached the superannuation qualification age (currently 65).

You may, however, make a withdrawal before retirement in certain restricted circumstances, as described in this document.

Retirement withdrawal

You can request a withdrawal when:

- you reach New Zealand superannuation qualification age (currently age 65); and
- if you first joined KiwiSaver (or a complying superannuation fund) prior to 1 July 2019, it has been at least five years since you joined (although you can elect to make a withdrawal if you have reached 65 but you will no longer be entitled to further government contributions or compulsory employer contributions).

A complying superannuation fund is a superannuation scheme that, while not a KiwiSaver scheme, has:

- similar rules including locking-in benefits until at least the New Zealand superannuation qualification age; and
- been approved by the Financial Markets Authority as a complying superannuation fund.

Savings transferred from an Australian complying superannuation scheme can generally be withdrawn once you turn 60 and, if you are under age 65, have retired from being gainfully employed i.e. stopped working.

Payments are subject to any minimum payment requirements set by us at the time and currently can be:

- a regular amount specified by you (a minimum of \$100 per payment) paid into your bank account until your account balance reaches zero or you request that payments stop; and/or
- one or more one-off payments (a minimum of \$500 per payment).

You can find out more about setting up regular payments, any minimum payment requirements that apply, and any terms and conditions applying to withdrawals by contacting the administrator or by visiting aonkiwisaver.co.nz.

Death benefit

If you die while you are a member of the Scheme, the amount payable will be equal to your account balance at the date on which the withdrawal application is accepted by us.

Payment will generally be made to your personal representative, i.e. the executor or administrator of your estate. However, if the amount is less than a maximum amount set by law (currently \$15,000) and there is no personal representative, we may, at our discretion, pay this to one of your dependants or other family members.

First home withdrawals

You can make a 'once only' withdrawal towards the purchase of your first home (or an estate in land on which to build your first home) after you have been a KiwiSaver member or complying superannuation fund member for at least 3 years after you have first contributed to a KiwiSaver scheme or complying superannuation fund, subject to restrictions set out in the KiwiSaver scheme rules. A first home withdrawal can only be made for the purpose of purchasing a first home (or an estate in land) in New Zealand.

You must:

- intend to live in the house as your principal place of residence; and
- not have purchased a home or estate in land before (except in certain circumstances relating to holding an estate in land as bare trustee, holding a leasehold estate in land, holding an estate in land that is an interest in Maori land or have Kāinga Ora – Homes and Communities (formerly known as Housing New Zealand) determine that you are in a similar position to a first home buyer). In limited circumstances, you may still be able to make a withdrawal if you have owned a home before; see kaingaora.govt.nz for details.

Savings transferred from an Australian complying superannuation scheme cannot be used to assist with a home purchase, although investment earnings earned after the transfer may be used.

A minimum balance of \$1,000 must be maintained in your account after a withdrawal.

You may also be eligible for the First Home Grant from Kāinga Ora – Homes and Communities. The grant is currently \$1,000 for each year you have been contributing to KiwiSaver, up to a maximum of \$5,000. The subsidy is doubled if you are purchasing a new home, buying a property off the plans or land to build a new home on. You'll find information about the First Home Grant and the eligibility conditions for it on Kāinga Ora's website at kaingaora.govt.nz.

Significant financial hardship

You may apply to the supervisor to make a withdrawal due to significant financial hardship. This benefit is subject to restrictions set out in the KiwiSaver scheme rules (which may be amended from time to time). Your application must include enough evidence for the supervisor to understand your financial position (including a statutory declaration relating to your assets and liabilities). This is because the supervisor needs to be reasonably satisfied that you:

- are suffering, or likely to suffer, significant financial hardship; and
- have explored and exhausted other reasonable sources of funding.

The benefit may be granted due to significant financial difficulties that arise because of:

- Your inability to meet minimum living expenses.
- Your inability to meet mortgage repayments on your principal family residence resulting in the mortgagee seeking to foreclose.
- The cost of modifying a residence to meet special needs arising from a disability to you or your dependant.
- The cost of medical treatment or palliative care for you or your dependant.
- The cost of a dependant's funeral.

The withdrawal cannot include any government contributions.

For those members who have a \$1,000 government kick-start payment, the \$1,000 payment cannot be included in the withdrawal.

The supervisor may limit the withdrawal to a specified amount that, in its opinion, is required to address the particular hardship you are suffering. The supervisor can also require any further medical evidence, documents or information.

Serious illness

You can apply for a withdrawal due to serious illness. Your application must include medical evidence as the supervisor needs to be reasonably satisfied you meet the criteria. The KiwiSaver scheme rules define a serious illness as an injury, illness or disability that:

- results in your 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
- poses a serious and imminent risk of death.

You may withdraw up to the full amount of your account if your application is approved.

Life-shortening congenital condition

You can apply for a withdrawal if, since you were born, you have suffered from a condition that:

- is on a list of life-shortening congenital conditions in the KiwiSaver Regulations 2006 (known as a "listed condition"); or
- is not a listed condition but is expected to reduce life expectancy below the superannuation qualification age for you or for people in general with the condition.

Your medical practitioner will need to provide a medical certificate to verify that you suffer from the condition and, if your condition isn't a listed condition, that the condition is expected to reduce life expectancy below the superannuation qualification age.

If the supervisor is satisfied that the requirements for withdrawal are met, you can withdraw all or a part of your total KiwiSaver balance (including any \$1,000 kick-start and your government contributions).

Note that if you do make a withdrawal, you will no longer be eligible to receive government contributions or compulsory employer contributions.

Emigration excluding Australia

After a year has passed since you left New Zealand to live permanently overseas, you may withdraw the full amount of your account (less the amount of your government contributions and any amounts transferred from an Australian complying superannuation scheme) or have that amount transferred to an authorised foreign superannuation scheme. You will need to provide:

- a statutory declaration that you have permanently emigrated;
- proof of your departure from New Zealand; and
- proof that you have lived at an overseas address at some time during the year following your departure.

Any government contributions paid into your account will be returned to the government.

Emigrating to Australia

If you move permanently to Australia, you cannot withdraw your account balance and can only transfer your account balance including your government contributions to an Australian complying superannuation scheme. Alternatively, you can leave your balance in the Scheme until you reach the retirement eligibility date.

Partial withdrawals to pay income tax and student loan obligations on foreign superannuation transfers

You may incur an additional income tax liability and an increase in your student loan obligations if you make a foreign superannuation transfer into the Scheme. You can make a partial withdrawal from the Scheme to pay any such additional tax liability (not penalties and interest) or increase in your student loan obligations arising from the transfer.

Transfers to other schemes

You may transfer your benefit in the Scheme to another KiwiSaver scheme.

Payment is usually made by an electronic transfer of funds direct to your new scheme. We charge a transfer fee for transfers to another KiwiSaver scheme or for transfers to an Australian complying superannuation scheme as disclosed in the PDS. A transfer fee is deducted from your account before the transfer is made.

It is possible you may be compulsorily transferred from one KiwiSaver scheme to another in certain circumstances set out in the KiwiSaver Act and the Financial Markets Conduct Act.

Act of Parliament

An early withdrawal can be made from the Scheme where required by any Act of Parliament. This includes a court order under the Property (Relationships) Act 1976.

It is important to note that interests in the Scheme cannot be sold, assigned, charged, or otherwise passed on to any other persons unless required by law.

Making an application

Please contact the administrator if you would like to make a withdrawal from the Scheme and they will guide you through the process. Alternatively you can download forms from our website aonkiwisaver.co.nz.

Payment of withdrawals

We will make payment as soon as possible after the administrator receives the documentation they need although retirement and death benefits can only be paid after receiving the final government contributions from Inland Revenue and all supporting documentation has been received.

The supervisor has up to 30 days to approve hardship and serious illness applications as these are often complex. Once approved, the benefit will be paid within five business days. If we, or the supervisor, needs to ask for more information, it may take longer to process your application.

Payments are usually made by an electronic transfer of funds to your bank account. We can pay by cheque but you may have to wait until the cheque is cleared before you can access the funds.

The investment of the Scheme's assets is subject to the terms and conditions of the agreements we have in place with each underlying investment manager. If an underlying investment manager imposes any special terms and conditions on the withdrawal of money, this could delay the payment of benefits from the Scheme. This would be subject to the rules set out in the KiwiSaver Act.

Contact us

Our helpdesk staff are available to assist you with any queries. Please note that our contact centre staff are not able to provide you with financial advice.

t: 0800 266 463

e: aonkiwisaver@linkmarketservices.com

w: aonkiwisaver.co.nz

About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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