

# Self-employed – your guide to KiwiSaver

**Use this factsheet to answer any questions you may have if you're self-employed and a member of KiwiSaver or you're thinking about joining KiwiSaver.**

KiwiSaver is a voluntary savings initiative designed to make it easier for New Zealanders to save for retirement. If you choose to join, you'll invest money in a KiwiSaver scheme of your choice. You'll be able to withdraw your savings when you're eligible for New Zealand Superannuation (NZ Super).

## Benefits to joining

When you join KiwiSaver you'll have access to the following benefits.

### Government contribution

If you're 16 or over, have a taxable income of \$180,00 or less annually and meet the other eligibility requirements, the government will contribute 25c for every dollar you put in to your KiwiSaver account, up to a maximum of \$260.72 each year, until you reach the age of eligibility to withdraw your funds.

Your scheme provider will claim the Government contribution on your behalf.

### Buying a first home

After being a member of KiwiSaver for three years you may be able to withdraw part of your savings to put towards your first home.

If you've previously owned a home you may still be eligible for the first home withdrawal if Kāinga Ora determines you're in the same financial position as a first-time buyer.

For more information go to the Kāinga Ora website [kaingaora.govt.nz](https://kaingaora.govt.nz)

## Who can join

To be eligible to join KiwiSaver, you must live, or normally live, in New Zealand, and be a New Zealand citizen or entitled to stay in New Zealand indefinitely.

## How to join

You'll need to choose a scheme provider and apply direct to them. The scheme provider will notify us that you've joined KiwiSaver.

For a full list of scheme providers go to [ird.govt.nz/kiwisaver](https://ird.govt.nz/kiwisaver)



## Making contributions

You and your scheme provider will need to agree on the amount and frequency of your contributions to your KiwiSaver scheme.

Your contributions can be paid direct to your scheme provider or through us. If you choose to pay through us, you can find out the ways to make a payment by going to [ird.govt.nz/pay](https://ird.govt.nz/pay)

## Investing your savings in a KiwiSaver scheme

There's a wide range of schemes and investment funds to choose from. Before you choose a scheme you should research the ones you're interested in to find out how they'll invest your money.

Each scheme provider's product disclosure statement explains how they'll invest your savings, the specific rules, fees, terms and conditions of the scheme. The product disclosure statement is an important document so make sure you read it carefully.

KiwiSaver isn't guaranteed by the government. This means you invest in a KiwiSaver scheme at your own risk. However, all KiwiSaver schemes are regulated by the Financial Markets Authority.

## Changing KiwiSaver schemes

You can change schemes at any time by applying to the scheme provider you want to change to. You can only belong to one KiwiSaver scheme at a time.

## Withdrawing your savings

Your KiwiSaver savings are “locked in” and can’t be withdrawn until you’re eligible. You can qualify to withdraw your savings early if:

- after three years you want to buy your first home
- you experience significant financial hardship
- you suffer serious illness
- you move overseas permanently (to a country other than Australia).

If you move to Australia permanently you can either:

- keep your savings in your current KiwiSaver scheme, or
- transfer your savings to an Australian complying superannuation scheme.

## Reaching the age of eligibility

You’re eligible to withdraw your savings when you qualify for NZ Super (currently 65). If you joined KiwiSaver before 1 July 2019, you must have been in KiwiSaver for five years before you are eligible to withdraw your savings, even if you reach 65 within this time.

If you want to withdraw your savings, contact your scheme provider.

## Changing from self-employed to an employee

If you start working as an employee, you’ll need to tell your employer that you’re in KiwiSaver so contributions can be deducted from your pay. You can choose whether you contribute 3%, 4%, 6%, 8% or 10% from your earnings. If you’re eligible you’ll also be entitled to receive employer contributions.

## Receiving paid parental leave payments

KiwiSaver contributions are optional from paid parental leave (PPL) payments. You can choose to have your contributions deducted while on PPL when you complete your application. If you choose to have contributions deducted and you are eligible, you will also be entitled to receive employer contributions.

## Find out more

Inland Revenue can’t give you advice about whether you should join KiwiSaver or which scheme provider you should choose.

For help in making your decision, you can go to **sorted.org.nz**. This is the Commission for Financial Capability’s website and it provides free, independent information about money matters, including KiwiSaver.

For more information about KiwiSaver go to **ird.govt.nz/kiwisaver**



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