

# Your introduction to KiwiSaver – employee information

**KiwiSaver is a work-based savings initiative designed to help set you up for your retirement. Most members will build up their savings through regular contributions from their pay, making saving simple and easy.**

To join KiwiSaver you must:

- live, or normally live in New Zealand, and
- be a New Zealand citizen or be entitled to stay in New Zealand indefinitely.

## Already in work

You can choose whether you join KiwiSaver. If you decide to, you can join with a scheme provider directly or through your employer.

## Starting a new job

If you're between the ages of 18 and 65 you'll be automatically enrolled in KiwiSaver if you're eligible. Your employer will give you some information about KiwiSaver.

## Joining KiwiSaver if you're a new employee 65 or over

You can choose whether you join KiwiSaver. If you decide to, you can join with a scheme provider directly or through your employer.

## Self-employed or not working

You can join KiwiSaver by contacting your chosen scheme provider directly. They'll send you a product disclosure statement and enrolment form.

## Joining KiwiSaver if you're under 18

If you're under 18 you can only join KiwiSaver by contacting your chosen scheme provider directly. You cannot join through your employer.

## Opting out

If you have been automatically enrolled you can choose to opt out of KiwiSaver at [ird.govt.nz/kiwisaver-individuals](http://ird.govt.nz/kiwisaver-individuals). This form must be completed within 8 weeks of starting your new job. We'll refund any contributions you've made.

If you've chosen to join KiwiSaver you cannot opt out. However, after 12 months you could take a savings suspension.

## KiwiSaver benefits

If you're 16 years or older and have a taxable income of \$180,000 or less annually you may be entitled to a government contribution of up to \$260.72 each year.

If you're 18 or older you may be entitled to employer contributions that match 3% of your pay before tax.

Three years after your first KiwiSaver contribution you may be able to use your savings to buy your first home.

## Choosing a scheme provider

You do not have to choose a scheme when you join KiwiSaver.

When you join through your employer or are automatically enrolled, you will either:

- be allocated to your employer's chosen scheme, (if they have one) or
- be allocated to a default scheme.

You can actively choose your own scheme provider, by contacting them directly.

## Making contributions

Making contributions is easy, whether you're working, not working or self-employed.

## If you're working

Your employer deducts contributions from your before-tax pay at your chosen rate of 3%, 4%, 6%, 8% or 10%. If you do not choose a rate the default rate of 3% will be applied. Your employer passes this money to us and we pass it on to your scheme provider.

You can change your contribution rate by using myIR or contacting your scheme provider, as well as directly through your employer(s).

You can only change your contribution rate once every 3 months, unless your employer agrees to a shorter timeframe.

## Self-employed or not working

You and your KiwiSaver scheme provider agree how much you want to contribute and you make payments directly to them.

## How your contributions are processed

When you are first enrolled into KiwiSaver we hold your contributions for 2 months. Any future contributions received are normally transferred to your scheme provider within a few days. We will also pay any interest earned to your scheme provider once a month.

## Employer contributions

If you're a KiwiSaver member making contributions from your pay, your employer must also make a contribution. This will equal 3% of your pay before tax.

All employer contributions paid to a superannuation fund for the benefit of an employee are liable for ESCT (employer superannuation contribution tax). The exception to this is if the employee and employer have agreed to treat some or all of the employer contributions as salary or wages under the PAYE rules.

Your employer does not have to make compulsory employer contributions if:

- they're already paying sufficient contributions into another approved superannuation scheme for you
- you're under 18
- you're over 65
- you're not required to have deductions made from your pay (example, if you're on a savings suspension, or on leave without pay).

## Temporary rate reduction

From 1 February 2026, you'll be able to apply to Inland Revenue to temporarily reduce your KiwiSaver contribution rate to 3% from 1 April 2026 for between 3 and 12 months. You can do this as many times as needed.

This option is available if you're not ready to increase your contributions when the default rate rises to 3.5% on 1 April 2026.

If your employer is making employer contributions, they can also contribute at the reduced rate when you have a temporary rate reduction.

## Savings suspension

After you've been contributing to KiwiSaver for 12 months you can apply to take a break from contributing for three to 12 months. There's no limit on how many times you can do this.

However, when you're on a savings suspension, your employer does not have to make contributions either.

If you're experiencing financial hardship you may get approval to stop making contributions.

## Existing superannuation schemes

If you're in a complying superannuation scheme, you may be entitled to some of the KiwiSaver benefits through that scheme, including the Government contribution and having your employer pay compulsory employer contributions.

Your employer only has to pay a total 3% compulsory employer contribution regardless of whether you're a member of both KiwiSaver and a complying superannuation scheme.

You can still join KiwiSaver if you're a member of a complying superannuation scheme, but the benefits will only apply to one of your schemes.

## Withdrawing your savings

In most cases, your KiwiSaver savings will be locked in until you're eligible for NZ Super (currently 65).

KiwiSaver will not affect your eligibility for NZ Super or reduce the amount of NZ Super you're eligible for.

### Exceptions

You may be able to withdraw part (or all) of your savings if you're:

- buying your first home
- moving overseas permanently (to a country other than Australia)
- suffering significant financial hardship
- seriously ill
- suffering from a life-shortening congenital condition.

Your KiwiSaver will be paid to your estate if you die.

If you move to Australia permanently, you cannot withdraw your KiwiSaver savings. You can either:

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

## Future responsibilities

After you've enrolled in KiwiSaver, check your deductions and contributions at [ird.govt.nz/kiwisaver](http://ird.govt.nz/kiwisaver) or with your scheme provider.

When you change jobs, it's your responsibility to give new employers a **KiwiSaver deduction - KS2** form.

## Getting advice

Neither your employer nor Inland Revenue can give you financial advice about whether KiwiSaver is the right choice for you or which scheme you should join.

KiwiSaver is not guaranteed by the government. This means you make your investment choices in a KiwiSaver scheme at your own risk. However, all KiwiSaver schemes are regulated by the Financial Markets Authority in a similar way to other registered superannuation schemes.

If you'd like help deciding whether or not to join KiwiSaver you can go to [sorted.org.nz](http://sorted.org.nz). This is the Commission for Financial Capability's website and it provides free, independent information about money matters, including KiwiSaver.

Alternatively, contact a financial advisor for advice on:

- your personal financial circumstances
- whether or not KiwiSaver is right for you
- how to choose a scheme or investment product
- the overall KiwiSaver scheme and its financial concepts.

For more information about KiwiSaver go to [ird.govt.nz/kiwisaver-individuals](http://ird.govt.nz/kiwisaver-individuals)



## ird.govt.nz

Go to our website for information and to use our services and tools.

- **Log in or register for myIR** - manage your tax and entitlements online.
- **Calculators and tools** - use our calculators, worksheets and tools, for example, to check your tax code, find filing and payment dates, calculate your student loan repayment.
- **Forms and guides** - download our forms and guides.



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