



# sorted

## KiwiSaver

How to make the most of it

- ✓ How KiwiSaver works
- ✓ Sooner the better
- ✓ Optimising your contributions
- ✓ Which fund suits?

# How KiwiSaver works

**KiwiSaver is one of the easiest ways to get ahead financially.**

Investing our savings in KiwiSaver means we're paying a fund manager to buy investments on our behalf. Each fund holds a mix of investments, and which type they fit into is based on how much of the more risky stuff, like shares and commercial property, is in the mix. The more risk you take on, the more potential you have for better results, but your balance will have more ups and downs along the way.

For more on investing in general, go to:  
**[sorted.org.nz](https://sorted.org.nz),**  
**[smartinvestor.sorted.org.nz](https://smartinvestor.sorted.org.nz)**  
or see our **investing booklet**.

## You're opted in

Membership in KiwiSaver is voluntary and open to all New Zealanders living here. So anyone who is not yet a member can join at any time.

People who are 18 or over and starting a new job are automatically enrolled. We can opt out, but once we join we have to contribute for at least 12 months. If you're 16 or 17 you will need to opt in yourself to be eligible for the government contribution, and then from 1 April 2026 your employer will also need to contribute alongside your own contributions.

## You build a nest egg

With each pay, employees automatically contribute at least 3% (lifting to 3.5% in April 2026 and 4% in April 2028). You can also opt to contribute 4%, 6%, 8% or even 10% of your earnings.



You can suspend your savings for a year at a time if you need to. Your KiwiSaver money is locked away until age 65 (with some exceptions, such as a first home or hardship).

### **Employers pitch in**

Employers must match employee contributions to KiwiSaver, at least 3% (also lifting to 3.5% in 2026 and 4% in 2028). They can contribute more than that, too.

### **It's for non-employees, too**

Anyone who's not employed or is self-employed can join KiwiSaver by contacting a scheme provider directly. How much they contribute and how often can be organised with their provider. They may not get an employer contribution, but they will still get some money from the government, depending on how much they have contributed.

### **You can get \$260 each year from the government**

All KiwiSaver members aged 16-64 can get matching money from the government. For each dollar they put in, the government will add 25 cents, up to \$260 every year. This gets paid into accounts annually. The goal is to get at least \$1043 into your KiwiSaver each year by mid-June to get the government money. That's basically \$20 a week.

### **You can take KiwiSaver with you**

If you change jobs or leave the workforce, your KiwiSaver account follows you. It's all yours.

# There's a lot you can achieve

**A KiwiSaver account is much more than a traditional savings account – you save into it regularly, but the money flows into a specific investment fund.**

Our money is invested for us by a professional fund manager, earning us investment returns that grow our money that much more.

It's important to know that it's not government guaranteed, and our investment accounts can go up and down in value.

**KiwiSaver accounts typically grow from four sources:**

- Our contributions
- Employer contributions (if we're an employee)
- Government contributions of up to \$260 each year
- Returns from those contributions being invested

Most of the growth, while unpredictable, tends to come from investment returns.

# How KiwiSaver can help you get in your first home

Although KiwiSaver was made for long-term investing for retirement, it can also be used for a first home. After all, owning your home sets you up for wellbeing in retirement as well.

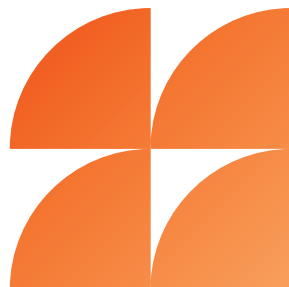
## KiwiSaver first-home withdrawal

Typically you'll need 20% of the house price for your first-home deposit – which is a big ask – but happily you can withdraw your KiwiSaver money for all or part of it if you are eligible.

If you are a first-home buyer, and have been in KiwiSaver for three years, you may be able to make a one-off withdrawal from your KiwiSaver (as long as you leave \$1,000 in your account).

If you are purchasing with your partner or friends, each of you can withdraw from your KiwiSaver. You'll have different balances, so you can withdraw as much or as little as you need.

You apply to withdraw directly with your KiwiSaver provider.



# The first-home withdrawal process

## 1. Contact your provider to start the withdrawal process

Typically your KiwiSaver provider will need 10 working days to process your first-home withdrawal, but sometimes there can be delays.

If you don't have your KiwiSaver money before settlement, you won't be able to use it. Allow enough time before your settlement date to avoid stress.

## 2. Put together your supporting documents

You'll need:

- Certified ID and proof of address
- A bank deposit slip for your solicitor's trust account
- A copy of the sale and purchase agreement for the property

Either:

- A letter of undertaking (conditional agreement)
- A letter of undertaking (unconditional agreement)

## 3. Submit your application to your KiwiSaver provider

The form will include a statutory declaration, which will need to be witnessed by a lawyer or justice of the peace, for example. Send in your documents with your application.

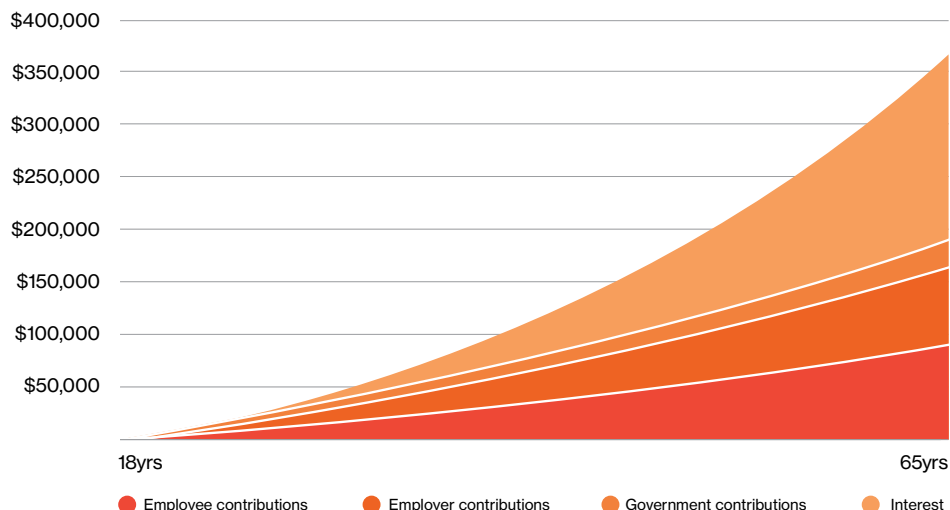
It will help to call or email your provider to make sure they received it. They should start to process it within three business days.

## 4. Receive your money in your lawyer's account

On your settlement date, your lawyer will pass your money on to the seller's lawyer, and you'll receive the deeds to ownership and the keys to the property, which is now yours.

For more on the property-buying process in general, see **[settled.govt.nz](https://settled.govt.nz)**

# Sooner the better



**Serious money in the long run.** An 18-year-old earning a salary of \$50,000 who contributes the minimum to their KiwiSaver balanced fund could typically have close to \$366,000 when they reach 65. More than half of their results would come from compound interest. (Figures here are after fees, taxes and inflation.)

**The earlier we start and the more we contribute, the better results we can achieve. There is a cost for delaying!**

## The power of compound interest

Over long periods of time, we can take advantage of what Einstein called the “eighth wonder of the world”: compound interest. This is when interest earns even more interest, like a snowball grows as it rolls downhill.

With KiwiSaver, when our investment returns are left in our accounts and reinvested, they generate many more returns themselves and really supercharge our results.

Run the numbers and see what your contributions could add up to by the time you're 65.

Try Sorted's **KiwiSaver calculator** to see what your potential results could be on **[sorted.org.nz](https://sorted.org.nz)**

# Which fund suits?

We need to get savvy about how and where we're investing. With KiwiSaver, everyone needs to make a choice about which fund to be in.

## Sorted's KiwiSaver fund finder

Sorted's **KiwiSaver fund finder** can help us find the right fund to suit our individual needs – based on how much time we have to invest and our attitude towards ups and downs in the market.

Sorted's KiwiSaver fund finder tool also lets us see all the different funds of that type and sort through them by fees, services and past results.

Getting advice from an independent financial adviser can be worthwhile when choosing. Yet no one can tell us which fund is best for us – we need to decide that for ourselves.

## Returns and fees are important

Choosing a fund just because it's performed well in the past is not a great way to predict future returns. However, if a fund has consistently had poor results, that might be a sign of poor management and a reason to look at others.

It's important to look at returns after fees, which are the net returns. This helps us to see the money that actually goes into our KiwiSaver account.

Sorted's KiwiSaver fund finder lets us sort through funds by how much they cost, and estimates how much we'll pay in fees in a given fund until we're 65. We're talking about tens of thousands of dollars!

We all need to decide what's reasonable to pay for the range of services and results we're getting, and pick the right fund for us.

Check out **Sorted's guide on investing** for more information about returns and fees.















## What to consider when choosing a fund:

- The right level of risk for you
- The time frame you want to invest for (i.e. are you going to be using it for a first home or your retirement?)

Choosing the right fund makes a big difference to our results in the long run. Yet many of us have not made an active choice about which fund to be in.

We've grouped the hundreds of KiwiSaver funds into five types to make things easier. Once you discover which is right for you, it's much simpler to find a fund of that type.

	Defensive	Conservative	Balanced	Growth	Aggressive
Your level of risk					
Likely ups and downs					
Potential results	\$	\$\$	\$\$\$	\$\$\$\$	\$\$\$\$\$
Invest for at least	2 to 3 years	4 to 5 years	6 to 8 years	9 to 12 years	13 years plus

# Jane finds her fund



**“Would you like to bring your KiwiSaver over to us? You’ll be able to see all your balances together.”**

Meeting with her banker on another matter, Jane quickly responds “yes” – all too quickly. She agrees to switch her existing KiwiSaver account over from her current provider, without paying attention to what fund her money’s ending up in. Is it the right one for her?

A couple of months later she hears about the KiwiSaver tools on [sorted.org.nz](https://sorted.org.nz) and decides to plug in her details and have a closer look at the fund she ended up with.

She checks her fund in the KiwiSaver fund finder and is disheartened to find that she had unknowingly switched to a fund that seems costly. Running her numbers, she realises that if she keeps going, she’ll end up paying \$34,400 in fees – is it worth it? There is no way of telling.

Using the KiwiSaver fund finder, she answers the questionnaire and figures out the type of fund with the right level of risk for her situation – “growth” funds. Then she quickly sorts through the growth funds on offer from all the KiwiSaver providers (not just her bank).

She can easily see what the funds cost and the range of services she would get in return.

She also checks out how the funds have performed in the past (after fees and taxes have been taken out). Although there is no way of telling if they will do as well in the future, she can avoid those that have been consistently low.

Settling on a fund that is right for her, she contacts the KiwiSaver provider and makes the switch – and they do most of the work to make it happen.



# Optimising your KiwiSaver contributions

## Find out how much you're contributing

Your KiwiSaver provider will send you regular statements and can tell you your overall KiwiSaver account balance, the return on your investment, and details of any contributions paid directly to them.

In addition, you can keep track of the KiwiSaver contributions that you (and your employer) have paid to Inland Revenue by registering for 'MyIR' on the **Inland Revenue website**.

## Change how much you're contributing

You can change your contribution rate by contacting:

- Your employer if you are employed – notify them in writing of the change, or complete a new KS2 form (which you can get from your employer)
- Your KiwiSaver provider if you're not employed (for example, self-employed or not working)

## Top up your KiwiSaver with voluntary contributions

You can make voluntary contributions (lump sums or regular automatic payments) into your KiwiSaver account at any time, either directly to your KiwiSaver provider or through Inland Revenue.

To get the full government contribution of \$260 each year you'll need to have made an annual contribution of at least \$1,043 by mid-June.

## Notes:

### Where to now?

- ✓ Joined KiwiSaver?
- ✓ Found the right fund?
- ✓ Contributing regularly?

### Next steps:

Visit **[sorted.org.nz/fundfinder](https://sorted.org.nz/fundfinder)** to compare KiwiSaver funds and find the one that suits you best.