

# A Beginners Guide to NZ Pensions

## When you move to NZ, you need to know what happens to the pensions you leave behind...

If you are planning on emigrating to NZ, you could be forgiven for thinking more about what you'll put in your suitcase than what will happen to your pensions - especially if you don't plan to retire for years.

But it may well pay you to take a few minutes to understand how the pensions system works in New Zealand. We've also got more detailed information on our website, [www.broadbaseimmigration.co.uk](http://www.broadbaseimmigration.co.uk).

### Your UK State Pension

If you move to New Zealand from the UK you will generally either qualify for New Zealand Superannuation (the NZ state retirement pension), your UK State Retirement Pension, or a combination of both.

The UK and New Zealand governments have a social security agreement in place to sort out how state pensions are paid to people who have lived in NZ and the UK.

You cannot claim full entitlements from both the UK and New Zealand state pensions, but you can use your years of residence in the UK to count towards the residence requirements for New Zealand Superannuation.

New Zealand Superannuation is currently based on at 66% of the after-tax average national wage

for a couple, and is paid from age 65. It is considered part of your taxable income.

If your UK state pension is worth more than NZ Superannuation, you can receive your UK pension direct from the UK government

If your UK state pension entitlement is worth less than NZ Superannuation, the UK government will effectively pay part of your pension and the NZ government will top up the rest.

You need to declare any UK pension income to the NZ Inland Revenue Department.

### UK Personal and Occupational Pensions

You can leave your personal and occupational pensions behind in the UK - but you may be interested to hear that you can transfer them to New Zealand. Doing so can give you a number of benefits, including the access to New Zealand's more liberal rules on access to retirement savings, and more say in how your fund is invested.

The flip-side to gaining more control of your pension fund is that you also lose any guarantees of a level of income in retirement that may be built in to your UK pension.

We recommend that you seek expert advice when deciding whether or not to transfer your UK pensions to New Zealand.

## New Zealand Pension Savings

### Registered NZ Pension Schemes

You can choose to supplement your retirement savings with a wide range of investments, including NZ pension schemes.

With all NZ pension schemes, including KiwiSaver, you pay income tax on your contributions and the investment earnings on your fund are taxed – this is calculated and paid for you by the scheme provider. However, once you reach retirement age, you can take your fund as a tax-paid lump sum.

### KiwiSaver

Your employer will offer you opportunity to join the KiwiSaver retirement savings scheme when you start work in New Zealand.

Your employer will deduct 2% (or more if you like) of your pre-tax pay and deposit it into your KiwiSaver account, which can be held via a number of fund managers – either your employer's preferred scheme or one of your own choosing.

Your employer will contribute 2% of your salary to

your KiwiSaver scheme. Each new KiwiSaver account is credited with a \$1000 lump sum from the government, and you are also eligible for a tax credit of up to \$20 per week.

Access to your KiwiSaver fund is strictly regulated, more so than most NZ pension schemes.

Some of KiwiSaver's benefits are also available to people who aren't working and to children.

### Contact us for more information

The team at Broadbase International has years of experience in both the UK and NZ financial services industries. As migrants ourselves we have a unique understanding of what you need to know about your finances when you emigrate.

Please contact us for expert advice on making the most of the financial opportunities you will find in New Zealand.



**B R O A D B A S E**

*Broadbase International Ltd specialises in providing expert, impartial financial advice for Brits emigrating to New Zealand.*

*Our services include:*

- UK Pension Transfers
- Retirement Planning
- Currency Exchange Advice
- Insurance
- UK & NZ Tax Information
- Investments
- Mortgages

*A disclosure statement is available on request and free of charge.*

*Contact the team at Broadbase International Ltd to receive a free copy of our Financial Guide, a comprehensive financial information pack for Brits emigrating to NZ.*

*We'd also be delighted to send you our monthly email newsletter with updates, information and resources for Brits with an interest in New Zealand.*