Broadbase International Newsletter - May 2009

In this months newsletter we've taken a closer look at state pensions, summarised the UK Budget, and given you a few hints on keeping warm this winter.

Government Retirement Pensions

We have been getting an increasing number of questions about State Pensions and New Zealand Superannuation, so we have revised and extended our New Zealand Pension and Retirement Planning articles. The main points for both Brits living in New Zealand and Kiwis who have lived in the UK are:

- You can use your years of residence in the UK to count towards the residence requirements for New Zealand Superannuation,
- You cannot claim full entitlements from both the UK and New Zealand state pensions,
- If your UK state pension is worth more than New Zealand Superannuation, you can receive your UK pension direct from the UK government, and
- If your UK state pension entitlement is worth less than New Zealand Superannuation, the UK government will effectively pay part of your pension and the NZ government will top up the rest.

There are other significant points to note on the UK pension age, partner pension payments, National Insurance Contributions and S2P & SERPS, so we invite you to take a look:

1. Will I get a UK State Pension?
2. Receiving UK State Pension Payments in New Zealand
3. Will I be eligible for New Zealand Superannuation?
4. UK State Pension / NZ Superannuation Decision Guide

Partner Pensions and Special Banking

Also on the topic of State Pensions, the Social Assistance (Payment of New Zealand Superannuation and Veterans Pension Overseas) Amendment Bill has been tabled in Parliament. This bill is intended to make NZ Superannuation more portable for retired people who want to spend significant amounts of time travelling or living overseas, and to sort out the unfair situation where an overseas government pension payment can reduce a spouse or partner's New Zealand Superannuation payment. There is also provision in the draft legislation to allow refunds where overseas government payments into your Special Banking Option account exceed NZ Superannuation.

We know that the partner payment issue affects some of our clients, and will watch the progress of this bill with great interest. It could come into force as early as November 2009.

UK Budget 2009

We couldn't help noticing that the NZ news coverage of the eagerly-awaited 2009 UK Budget was…brief. Some of main points (as we see them) were:

- The top rate of income tax (for people earning over £150,000) will be 50% from April 2010, up from the current top rate of 40%.
- Tax relief on pension contributions for people earning over £150,000 will be cut on a stepped basis to a minimum of 20% from 2011, down from the current 40%.
- People on incomes of more than £100,000 will no longer receive a personal allowance (an amount they can earn tax-free).
- Taxes on alcohol, tobacco and fuel are set to increase.

We could not see any proposals in the 2009 Budget which will directly affect Brits who have already settled in New Zealand or intend to settle here, or returning New Zealanders.

The NZ budget is due to be released on 28 May.

Keeping Warm this Winter

Here in Christchurch we have already had our first frost. We've found a couple of resources that may help you to keep warm this winter:

1. PowerSwitch is a free calculator from Consumer (New Zealand's Which?) that allows you to input your location and power usage, and find out which the cheapest electricity plan is. Switching to an alternative supplier is seldom more complicated than making a phone call and filling in a new direct debit form, so it is well worth checking out that you are on the best rate.
2. If you are thinking about installing insulation or a heating appliance, check with your local council about whether any grants or loans are available in your area. We have the Clean Heat Project here in Canterbury, which offers subsidies and interest free loans if you switch from an open fire to a cleaner form of heating. And there are grants available nationwide through the Energy Efficiency and Conservation Authority, which you can find out about on the Energywise website.

If you haven't yet experienced a New Zealand winter, check our article on Common Problems with New Zealand Houses.

Important Dates

New Zealand Queens Birthday national holiday, Monday 1st June (we will be closed on this day) and UK Fathers Day, Sunday 21st June.

Until next month...

Wishing you well until we are next in touch. Please feel free to contact Jeremy, Steve or Vivecca any time if you have any questions about the financial side of life in New Zealand.

Broadbase International Ltd | +64 3 961 3709 | Level 2, 217 Gloucester Street, Christchurch, New Zealand

NZ Retirement Planning | UK Pension Transfers | Currency Exchange | NZ & UK Tax | Mortgages | Investments | Insurance

www.broadbaseinternational.com | www.broadbaseimmigration.co.uk

jeremy.henderson@broadbase.co.nz | steve.baker@broadbase.co.nz | vivecca.robinson@broadbase.co.nz

---

Information in this newsletter is of a general nature and is not intended as a substitute for professional advice based on your individual circumstances. Disclosure Statements are available on request and free of charge.

If you wish to unsubscribe to our newsletter, please reply to this email with "unsubscribe" in the subject line. If you have been forwarded this newsletter by a friend and wish to subscribe, please reply to this email with "subscribe" in the subject line. We will not pass your contact details on to any other organisation without your express permission.

© 2009 Broadbase International Ltd.