

2 Minutes on Super

NEWS, REMINDERS AND TIPS ABOUT YOUR SAVINGS

OCTOBER 2019

rich enough?



A LAID-BACK GUIDE FOR EVERY KIWI

Rich Enough? by Mary Holm

Over the next year, we'll be publishing extracts from Mary Holm's bestselling book on saving and investment, *Rich Enough? A Laid-Back Guide for Every Kiwi*. Mary is the author of six books on personal finance. She is a Qantas Media Award-winning columnist known for her personal finance column in the *Weekend Herald* and regular appearances on National Radio and is a director of Financial Services Complaints Limited and a former director of the Financial Markets Authority. In this first extract, Mary presents some rules of thumb on retirement spending, answering the question: How much are you likely to want for regular spending in retirement?

3 COPIES TO GIVE AWAY

We have three copies of Mary's book to give away. Email psscheme@mercerc.com by **18 October 2019** if you'd like to go in the draw. Put "Rich Enough?" in the subject line and include your name, membership number and courier address.

[Read rules of thumb on retirement spending](#)

'Second chance' homeowner benefit

Having owned property before may not exclude you from using the new first-home withdrawal facility to access your PSS funds to put towards the purchase of a house. The Mercer team were pleased to help a particularly deserving member work through this process earlier this year. That experience highlighted a few points of possible confusion.

We have adopted the Housing New Zealand criteria for eligibility under this category. You need to apply to Housing New Zealand to see if you qualify. These are the main criteria you need to meet:

- You no longer own an interest/share in any property.
- The property you intend to purchase will be your principal place of residence.
- Your realisable assets are less than 20% of the cap for the house location (see the website for the cap for the area you are looking to buy in).

Your PSS account balance is **excluded** from realisable assets, so you shouldn't include it when tallying up your assets.

As with any withdrawal under the first-home provision, you can withdraw funds to buy an existing home, a house off the plans or land on which you intend to build. There are no restrictions on when a house must be built on the land. Also remember that, if you have a registered charge against your benefit, it might affect how much you can withdraw. See the website for more information.

You can read more about eligibility, including what counts as realisable assets, and how to make a second-chance withdrawal on the website. We've also put together a short video explaining your options for using PSS funds towards the purchase of a home.

[Find out more](#)

Annual report, fund updates and financial statements now available

There is a range of information about the year ended 30 June 2019 available online. This includes the 2019 annual report and a fund update for each investment option, including for Super Steps at representative ages of 49 and 59. These documents are available to view online at disclose-register.companiesoffice.govt.nz and on our website along with other detailed information including the full financial statements and auditor's report. Please call the helpline if you would like a hard copy of any of these documents.

[View annual report, fund updates and financial statements](#)

Make sure we have your IRD number on file

As you know, the scheme is now a portfolio investment entity (PIE). This means we can now tax investment returns at a rate based on your annual income. As a PIE, Inland Revenue requires us to hold IRD numbers for all members. If you're a Police employee or retained member, we sent you a letter last month asking you to provide your IRD number (we already hold IRD numbers for constabulary members). We had a great response. The \$200 Prezzy card prize draw was won by one of our retained members from Auckland. If you didn't get around to responding, it's not too late. Email psscheme@mercercor.com and let us know your IRD number. Make sure you include your membership number and full name.

Benefit payments over the holidays

The last payment date for benefits for 2019 will be Friday 20 December. You need to factor this in if you are planning to withdraw money over the holidays. This applies to all benefits including partial withdrawals, first-home benefits, leaving service payments, significant financial hardship payments and withdrawals from retained member accounts. If you've set up a regular payment from your retained account, this will be processed as usual. For a pre-Christmas payment, Mercer needs to receive the completed form from you (or Payroll in the case of leaving service payments) by **Friday 13 December** (or Friday 6 December in cases where a charge is registered against your super). The helpline (0800 777 243) will operate as usual over the holiday period. The helpline hours are 9.00am to 7.00pm Monday to Friday (except public holidays).

Regular withdrawals for retained members

As a retained member, you can now set up regular payments from your account without paying a benefit payment fee. Payments will be direct credited to your nominated bank account on the 20th of each month (or the next business day). There's no fee for setting up or changing the payment amount. Set up regular payments by completing the *Retained member withdrawal form* available on the website.

Making voluntary contributions

We cannot accept lump-sum contributions into the scheme due to our exemption from the provisions of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. However, you do have the option of making additional contributions through Payroll. You can choose to pay between 1% and 10% of salary on top of your usual contributions. That's your before-tax salary, so if your salary is \$60,000, you can contribute up to \$6,000 extra over the course of a year. You can use this option to channel money into the scheme and reduce your contributions once you have reached the equivalent of the lump sum you had intended to invest or simply continue the additional savings. The form you need depends on your type of membership.

- Recruits and constabulary members – use the *Voluntary contributions form*.
- Non-constabulary members and savings contributors – use the *Vary contributions form*.

Latest returns

Unit prices are updated on the website each business day. Each month, we also post returns based on the change in unit prices over a given period expressed as a percentage. This provides another way for you to follow the performance of your investment. Our investment manager Mercer prepares regular market updates, which we post on the website each month under 'Latest returns'.

See the [latest returns](#)

View the [August update](#)



Got a question?

policiesuper.co.nz

You'll find plenty of information about the PSS and your membership online. Our website is optimised for mobile phones and tablets and has lots of features to help you manage your super.

0800 PSSSCHEME (0800 777 243)

The helpline hours are 9.00am to 7.00pm, Monday to Friday (except public holidays).