

2 Minutes on Super

NEWS, REMINDERS AND TIPS ABOUT YOUR SAVINGS

MARCH 2020



Coronavirus rattles investors

Like us, you'll be following news about the novel coronavirus or Covid-19 as it has become known more recently. In February, concerns about the spread of the virus led to a correction in share prices around the world followed by considerable volatility as investors assess the possible economic impact. This volatility means any comment about the current state of play is quickly outdated. For this reason, you might be interested to follow the daily market updates provided by Russell Investments, who advise us on the mix of assets in our investment options. Remember, volatility is to be expected in growth assets like shares. Past returns are not an indicator of future returns, and this is true in the short term as it is in the long term. Rather than 'chasing returns', you're best to stick to an investment strategy based on your personal circumstances – especially when you expect to access your savings. If you are investing for the long term, you have time to ride out the inevitable ups and downs associated with growth assets.

Read Russell Investments' [daily market updates](#)

See the [latest returns](#)

Read about [choosing an investment option](#)

Mercer's focus on responsible investment

Your savings in the PSS are invested by fund managers chosen by Mercer. Mercer is the world's largest investment consultant, advising on over US\$15 trillion of assets globally. Mercer is also a signatory to the United Nations-supported Principles of Responsible Investment. Their job is to find the best fund managers from around the world and use them to construct the PSS portfolios across a wide range of asset classes. Their assessment of potential managers includes rating their environmental, social and governance (ESG) credentials with the aim of strengthening the responsible investment focus across the funds. In addition, Mercer's portfolios exclude companies involved in specific activities. These include the manufacturing of cluster munitions, landmines, chemical or biological weapons or nuclear weapons and the production and retailing of automatic and semi-automatic civilian firearms. Companies manufacturing tobacco products are also excluded.



Read more about Mercer's policy on [responsible investment](#)

rich enough?



A LAID-BACK GUIDE FOR EVERY KIWI

Setting up an emergency fund

This is the third of a series of extracts from Mary Holm's bestselling book on saving and investment, *Rich Enough?* 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 RNZ National and is a director of Financial Services Complaints Limited (FSCL) and a former director of the Financial Markets Authority. In this extract, Mary looks at the emergency fund – putting money away for a rainy day.

[Read about setting up an emergency fund](#)

Police Credit Union MoneyWise series

Police MoneyWise sessions will be held up and down the country again this year. These seminars on a range of financial topics have been developed in conjunction with the Commission for Financial Capability (CFFC) and are presented by CFFC affiliates. They include seminars on financing your first home and planning for retirement. Partners and whānau are welcome to attend. There are also six shorter sessions called Money Bites available as webinars on a range of topics aimed at improving financial wellbeing.

[Find out more](#)

Make sure you're on the right tax rate

We pay tax on your behalf at a rate based on your total personal income. This rate is called your prescribed investor rate (PIR). It's important to use the correct tax rate. Your PIR is based on your income over the past two tax years, so it's a good idea to check your tax rate on 1 April each year. You don't want to pay more tax than you need to. If you do, you can't get it back from Inland Revenue. On the other hand, if you're not paying enough tax, you will need to repay the shortfall and may be liable for penalties and interest. Use [this form](#) to let us know or change your tax rate. It includes a chart to help you work out your correct PIR.

Expect your account statement mid-May

This year, we will move to a 31 March year. This will allow us to provide PIE tax information to you in time for you to complete your annual tax return. We will prepare an account statement for the nine months to 31 March 2020 and email you when this is available to view online. At this stage, we expect the statements to be available by mid-May. As we have done in recent years, we will include a snapshot of how your savings are shaping up. Fund updates, the annual report and financials for the period will be published at the end of June.

New annual cycle for partial withdrawal requests

As you know, after three years' service, you can make a partial withdrawal from your member's account once each year. The change of scheme year brings a new annual cycle for these requests. You will now be able to make one partial withdrawal between 1 April and 31 March. There are limits on withdrawals, which are explained on the website. Remember too, your savings in the PSS are a valuable asset intended to provide financial security for you and your family after you leave Police. We urge you to think carefully before accessing your funds.

[Read about partial withdrawals](#)

A registered charge will slow benefit payments

If you have a registered charge on your account, we need sign-off from the Police Credit Union (or other lender) for each payment request you submit. This can add a good few extra days to the payment process, so you need to factor that in to your plans. Remember, even if you've paid off the loan, it's likely you still have a registered charge in place. Also, it's a good idea to talk to the credit union early in the process if you are thinking about making a first-home withdrawal. They (or any other lender) can reduce the amount available for you to withdraw if you have a charge against your account.



Watch our video about [first-home withdrawals](#)

Making forms easier to fill in

We've updated the forms on our website so you can fill them in online. We've also provided for electronic signatures. You can set up an electronic signature the first time you fill in a form. Your device will password protect and store the signature automatically so you can use it again at any time. You can still print the forms and fill them in by hand if you prefer.

Make sure we have your IRD number on file

As a PIE, Inland Revenue requires us to hold IRD numbers for all members. We already hold IRD numbers for constabulary members. However, if you're a Police employee or retained member and you haven't provided your IRD number, please email it psscheme@mercer.com. Make sure you include your membership number and full name.



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 PSSHEME (0800 777 243)

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