

# 2 Minutes on Super

NEWS, REMINDERS AND TIPS ABOUT YOUR SAVINGS

MAY 2021



## If you sign in to your account today, you're sure of a big surprise

Next time you sign in to your online account, you'll see it looks very different. We're confident you will find the new site easy to find your way around and a significant improvement on the old online portal. It uses a dashboard approach so you can find the information you're looking for at a glance, including your account balance and a graph showing your contributions and investment earnings over time. You can also access your latest account statement from the dashboard. The new platform includes a simple calculator to show how your savings are tracking as well as a link to the Retirement Income Calculator for more detailed planning. The new platform has been designed by Mercer, the scheme administrator, and provided at no additional cost.

[Take a look around](#)

## Strong returns across the board

Last year, we changed to a 31 March year end and reported a 9-month period that included the fall in investment markets as the economic impact of COVID-19 began to bite, but not the subsequent rebound. Those gains are reflected in strong returns for the latest scheme year. We've included these figures in the table below in addition to 3-year returns to illustrate how short-term volatility evens out over a slightly longer timeframe.

|  | Growth % | Balanced % | Stable % | Cash Plus % |
|--|----------|------------|----------|-------------|
| <b>2021</b> (12 months)                      | 28.70    | 19.05      | 10.82    | 0.44        |
| <b>2020</b> (9 months)                       | (10.52)  | (6.66)     | (2.81)   | 1.21        |
| <b>3 years to 31 March 2021</b> (annualised) | 7.33     | 6.22       | 4.45     | 1.49        |

Returns after fees and before tax. Numbers in brackets are negative.

The sharp rebound in markets and the subsequent strong performance seen post 31 March 2020 serves as a reminder to stick to your chosen strategy and not to change investment options unless absolutely necessary. None of us knows what's around the corner, so it's best to choose an investment option based on your long-term goals, especially when you plan to spend the money. That could be sooner rather than later if you're planning to put your savings towards buying a first home.

[Read Mercer's 2021 investment commentary](#)

## Switches aren't instant

A couple of things to keep in mind if you do decide to change funds at any point:

- The process takes a few business days. The change doesn't happen automatically when you hit 'submit'. The unit price that applies is the one that's current on the day your request is processed – not the day you submit your request.
- The first switch each scheme year is free (April to March). Subsequent switches incur a fee (currently \$68.43).

## View your 2021 account statement online

Your account statement for the year to 31 March 2021 is available to view online. The statement includes PIE tax information you may need to complete your personal tax return. We've also included an estimate of your income in retirement to help you work out if your savings are on track. You'll find your statement listed on the home screen when you sign in to your account.

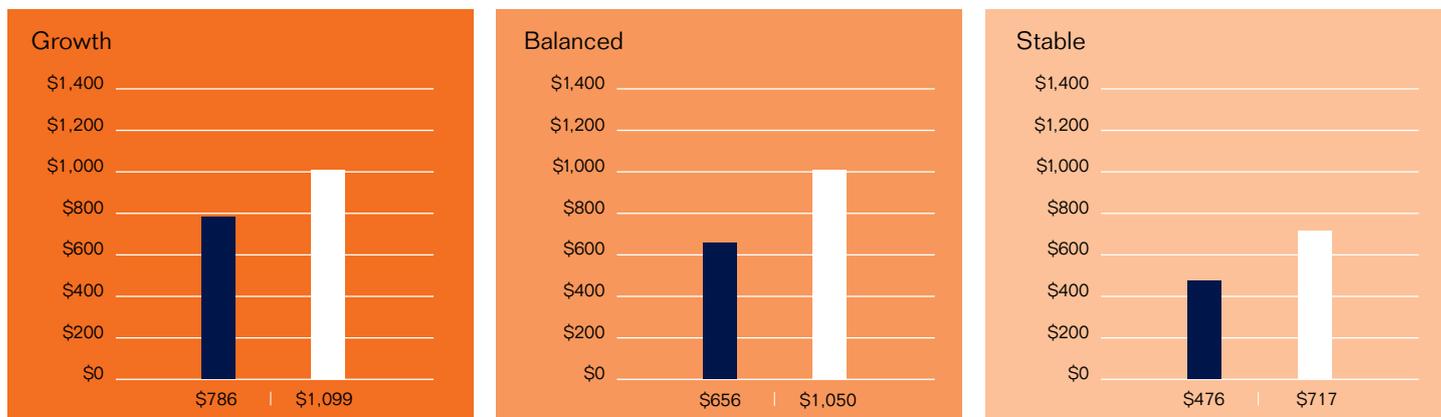
## Annual report, fund updates and financial statements

The 2021 annual report, fund updates and financial statements will be posted on our website and the [Disclose Register](#) on Friday 25 June. You are entitled to receive a hard copy of any of these documents free of charge. Call the helpline on 0800 777 243, and we'll send them to you.

## High fees eat into your savings

PSS investment fees are much lower than the average KiwiSaver scheme. For example, the investment fee for PSS Balanced is 0.59% of funds invested per year. The average for KiwiSaver schemes is 1.01%.\* That difference matters, especially over the long term.

### Total fees charged for \$100,000 invested for one year



■ PSS at 31 December 2020    □ Average from Morningstar KiwiSaver Survey December Quarter 2020

\*Source: Morningstar KiwiSaver Survey December 2020

## Focus groups put PSS under the microscope

Thank you to everyone from the Wellington and Wairarapa regions who responded to our invitation to take part in our recent focus groups conducted in Wellington by research specialist NielsenIQ. Your input will help us gain a deeper understanding of member views that will help shape our investment offering and communications. It will also inform the questions we put to our full membership in our triennial survey later this year. NielsenIQ's report will be made available to you in the next few months.

## Changes to government support for first-home buyers

A number of changes came into effect on 1 April 2021 to help more New Zealanders to purchase a first home. These changes include:

- lifting the house price caps for new properties and existing properties in most regions
- raising the income caps to enable more people to access First Home Grants and First Home Loans – the income cap is now \$95,000 for a single person and \$150,000 for two or more people.

These changes apply equally to the criteria for previous home owners who wish to make a withdrawal towards purchasing a home.

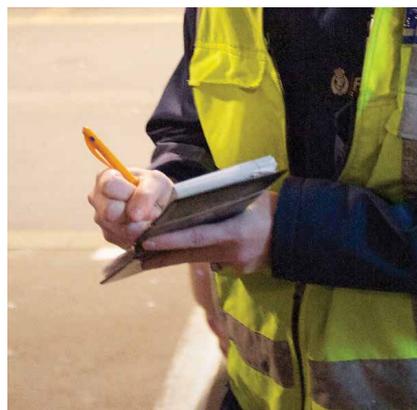
[Information for previous home owners](#)

[Read about government support for first-home buyers](#)

[Watch our video about first-home 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 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.



## Got a question?

[policiesuper.co.nz](https://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 from 9.00am to 7.00pm Monday to Friday (except public holidays).