



Dear Brethren Community Member,

We are very pleased to invite you to join the BCF KiwiSaver Scheme. The Scheme has been carefully designed to meet the needs of the Brethren community, while complying with all the requirements of the KiwiSaver legislation. It means you can take prudent steps to provide ahead of time for your retirement and to take advantage of the significant savings incentives the Government is offering New Zealanders through KiwiSaver.

It also means that if you are employed, you can ensure that you have joined a suitable KiwiSaver scheme ahead of any eventual nationwide KiwiSaver auto-enrolment exercise, under which all employees aged 18 to 64 who were not already in KiwiSaver would be automatically signed up but with the ability to opt out.

For more information on the Scheme and its Trustee (and issuer) Arotahi Trust Limited see the Product Disclosure Statement on the Scheme's website at bcfkiwisaver.co.nz/scheme-publications/

As you are probably aware, KiwiSaver is a (currently) voluntary retirement savings regime that was introduced by the government in July 2007 to help New Zealanders provide for their retirement. An individual's contributions are collected by Inland Revenue and placed with a registered KiwiSaver scheme.

To encourage saving, the KiwiSaver legislation currently provides for two key incentives:

- A tax-free **annual government contribution**, for each NZ-resident member who is contributing and is aged 18 to 64 (or has reached age 65 but been in KiwiSaver for fewer than 5 years), at the rate of 50 cents per dollar of contributions by that member, up to a maximum Government contribution of \$521.43 (which equals \$10 a week) per full year; and
- **Compulsory employer contributions** at the rate of 3% of salary or wages, on top of pay unless agreed otherwise, for every employee who is aged 18 to 64 (or who has reached 65 but has fewer than 5 years' membership) and is contributing from pay.

Another potential incentive (under current government policy) is that a KiwiSaver scheme member who qualifies for a home purchase withdrawal and meets other qualifying criteria may also qualify for a tax-free **KiwiSaver HomeStart Grant** of:

- \$1,000 for each year of KiwiSaver contributions (maximum \$5,000) if the member is buying an existing home, or
- \$2,000 for each year of KiwiSaver contributions (maximum \$10,000) if the member is buying or building a new home.

Before April 2011, when the BCF KiwiSaver Scheme was established, participation in KiwiSaver was not viable for members of the Brethren community, as:

- Independent trustees (not in fellowship) had legal ownership of scheme funds;
- Joining KiwiSaver would have involved Brethren members 'pooling' money with those not in fellowship; and
- KiwiSaver schemes gave Brethren little or no control over investment decisions conflicting with their consciences.

In order to meet the needs of the Brethren community, both the Trustee of the Scheme (Arotahi Trust Limited) and the ultimate controlling entity (BCF Limited) are specially established Brethren-owned companies. BCF Limited has 6 Brethren directors. Arotahi Trust Limited, which is responsible for Scheme management, has 3 Brethren directors.

BCF KiwiSaver Scheme



The Scheme is only open to members of the Brethren community.

Contributions to the Scheme are held in the 'Main Pool', but provisions for a 'Segregated Pool' also ensure that funds can be suitably distinguished and held separately should a member cease to be in fellowship.

A specialist KiwiSaver scheme administrator, Melville Jessup Weaver (MJW), acts as Administration Manager for the Scheme under a contract with the Trustee. The Administration Manager attends to all transactions with Inland Revenue, which collects contributions from employed members via the PAYE system. The Administration Manager also maintains a website for the Scheme that allows you to check your account balances and other details at any time.

The Trustee is responsible for the overall administration of the Scheme and (with the help of advisers) sets the Investment Policy and Objectives for the Scheme and reviews these from time to time as appropriate.

Please read the materials carefully. All you (and/or your guardians, if you are aged below 18) then need to do to join the BCF KiwiSaver Scheme is:

- Print and read the **Product Disclosure Statement**; then
- Complete and sign an **Application Form** (at the back of the Product Disclosure Statement); then
- If applicable, complete and sign a **Direct Debit Authority** (for non work-based contributions); then
- Post your completed form(s), attaching your ID (and your cheque if applicable), to:

BCF KiwiSaver Scheme
c/o PO Box 5206
Terrace End
Palmerston North 4441

When your application has been accepted and processed, the Administration Manager will send you a welcome letter confirming your admission to the Scheme.

If you have any questions you can telephone the Administration Manager on 0800 BCF INFO (0800 223 4636) or email bcfkiwisaver@mjlw.co.nz

Kind Regards,



John Mason Chairman of Directors Arotahi Trust Limited

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