



BCF KiwiSaver Scheme

KiwiSaver Overview | 10 October 2016

Why KiwiSaver?

It's all about saving for the future – and it will come! By putting a small amount into your BCF KiwiSaver Scheme account on a regular basis you will be able to watch your investment grow.

And the incentives to save through KiwiSaver are compelling:

- If you are aged 18 to 64, the Government will contribute 50 cents for every dollar you contribute, up to a maximum Government contribution of \$521.43 per year (this equals \$10 a week).
- your employer must contribute to your KiwiSaver scheme at the rate of 3% of your pre-tax salary (you can select whether to contribute at the rate of 3%, 4% or 8% of your pre-tax salary).

The incentives are all there for you to start a good savings habit.

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





Who is the Scheme's Administration Manager?

The Administration Manager for the BCF KiwiSaver Scheme is Melville Jessup Weaver (MJW), which also acts as the Trustee's Investment Consultant. MJW administers a number of workplace superannuation and KiwiSaver schemes throughout New Zealand. Retirement Scheme administration and investment consulting are two of MJW's core business areas.





What investments are permitted for the BCF KiwiSaver Scheme?

Currently, the specific investments permitted for the BCF KiwiSaver Scheme are:

- Deposits with New Zealand registered banks
- Deposits with non-bank deposit takers
- New Zealand Government debt securities, including Treasury bills
- Debt securities issued by New Zealand local authorities
- Investments in businesses owned by members of the Brethren Christian Fellowship, and loans made on arm's length terms to members of (or organisations within) the Brethren Christian Fellowship.

All Scheme assets are currently invested in bank deposits. Once Scheme assets have reached a sufficient size we may diversify into other investment types.

Why join KiwiSaver?

KiwiSaver is different from other investment schemes in that you're not the only one contributing funds - the Government and any employer also put money into your account!



While your returns are not guaranteed, there is a lot of encouragement to save for your retirement. Everyone is trying to help and here is how savings accumulate:

1. Your contribution

If you are an employee, you must contribute at the minimum rate of 3% of your gross salary or wages unless you have taken a contributions holiday. Alternatively you may contribute at the rate of either 4% or 8% of your gross salary or wages. Your contributions will be deducted from your after-tax pay each payday by your employer and forwarded to the Scheme via Inland Revenue. Your employer must forward your contributions to Inland Revenue each month at the same time as it pays PAYE deductions.

Self employed and non-earners can invest directly with the BCF KiwiSaver Scheme. To do so, complete the Direct Debit Authority (forms available on the Scheme website, under *existing members*) for a contribution of at least \$20 per month. If you are unable, or do not wish, to commence a direct credit at this time, then you must make an initial deposit of \$100 (by cheque made out to 'BCF KiwiSaver Scheme').

No minimum deposit or regular contributions are required for children under the age of 18 (unless they are earning a salary or wages from which PAYE must be deducted), but:

-  some form of contribution is necessary in order to meet administration fees; and
-  we can close a member's BCF Scheme account if it has a nil balance.



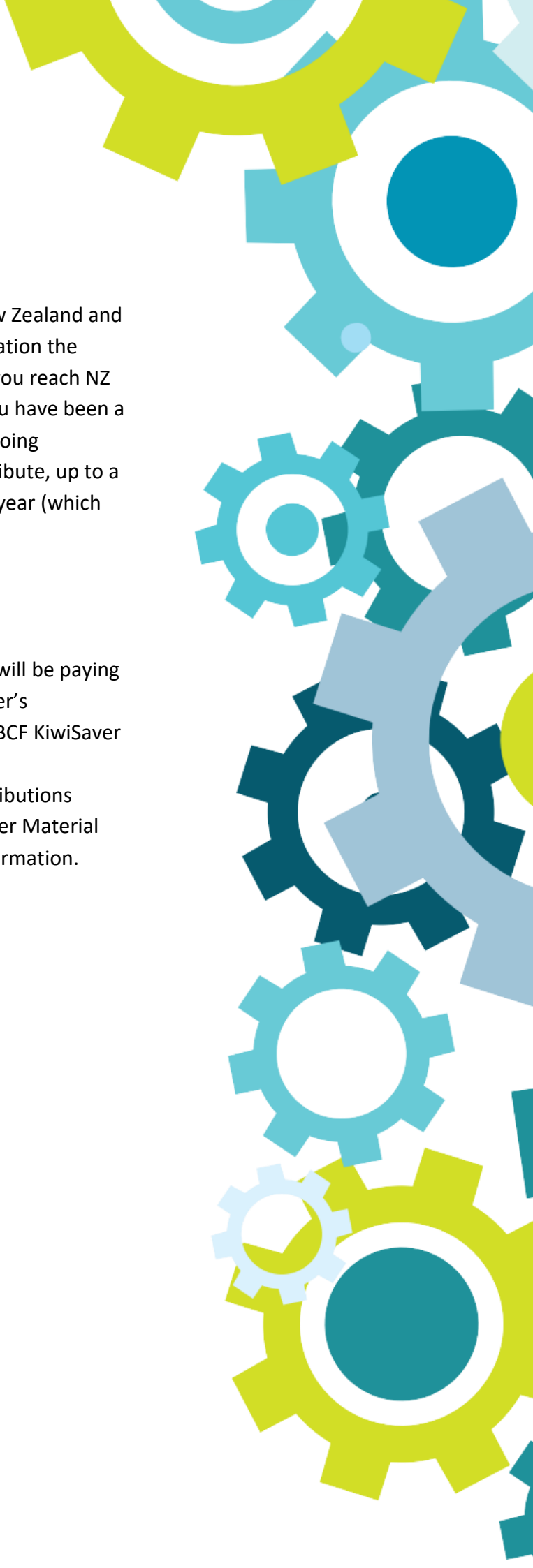
2. Government Contributions

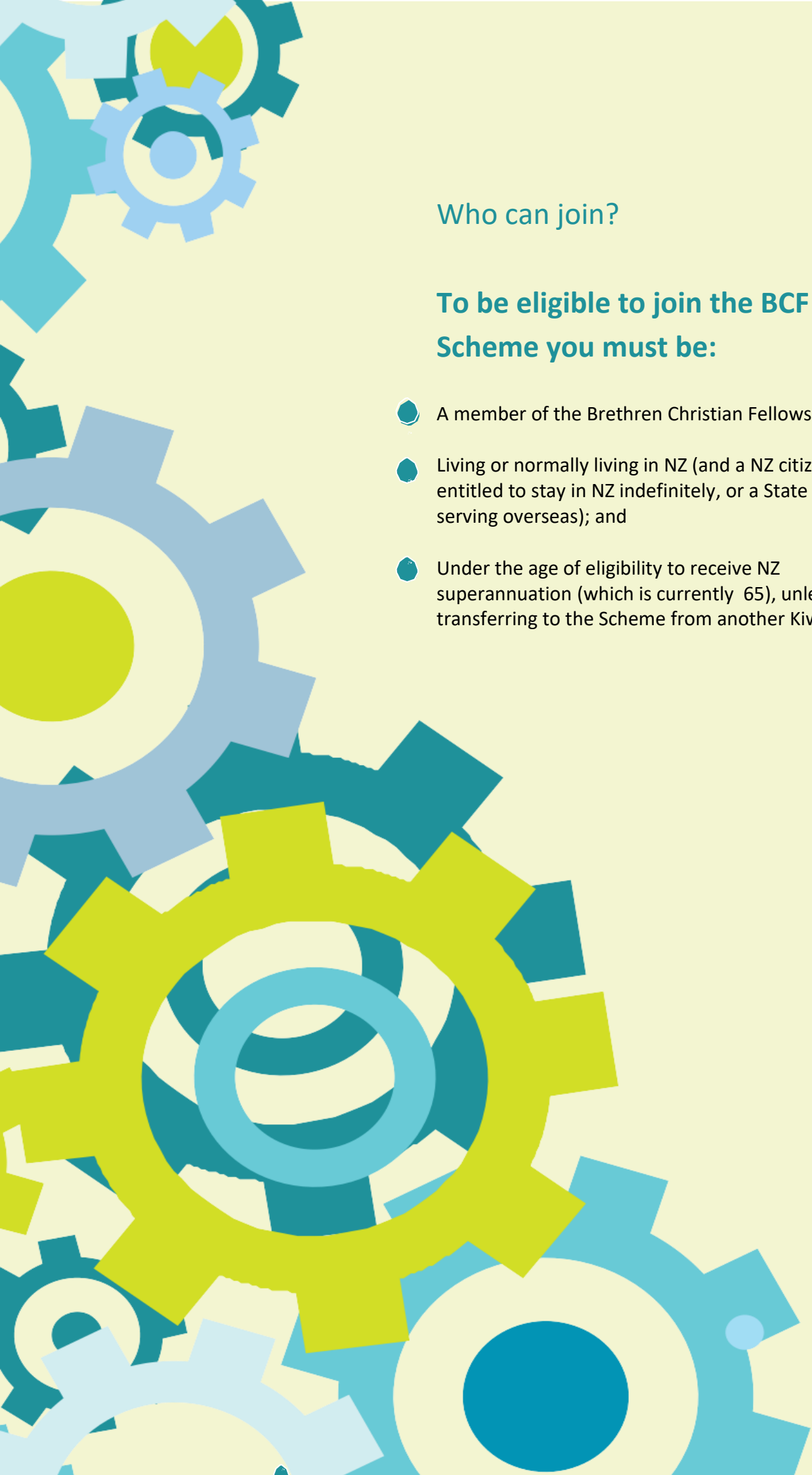
From the age of 18 years and while you live in New Zealand and are contributing to KiwiSaver, under current legislation the Government will also pay into your account until you reach NZ Superannuation age (or the date, if later, when you have been a member of KiwiSaver for five years) a tax-free ongoing contribution of 50 cents for every dollar you contribute, up to a maximum Government contribution of \$521.43 a year (which equals \$10 per week).

3. Employer Contributions

Extra help will come from your employer, as they will be paying an amount equal to 3% of your salary less employer's superannuation contribution tax (ESCT) into your BCF KiwiSaver Scheme account while you contribute from pay.

ESCT will be deducted from your employer's contributions before they are paid to the Scheme – see the 'Other Material Information' on the Scheme website for more information.





Who can join?

To be eligible to join the BCF KiwiSaver Scheme you must be:

- A member of the Brethren Christian Fellowship; and
- Living or normally living in NZ (and a NZ citizen, or entitled to stay in NZ indefinitely, or a State Services employee serving overseas); and
- Under the age of eligibility to receive NZ superannuation (which is currently 65), unless you are transferring to the Scheme from another KiwiSaver Scheme.

How do my contributions add up?*

Annual salary	3% weekly employee contribution	Ongoing government contributions	3% weekly employer contribution	Total weekly contributions to my account	Accumulated (over 4 weeks)
\$25,000	\$14.38	\$7.19	\$11.86	\$33.43	\$133.72
\$30,000	\$17.26	\$8.63	\$14.23	\$40.12	\$160.48
\$40,000	\$23.01	\$10.00	\$18.98	\$51.99	\$207.96
\$50,000	\$28.77	\$10.00	\$23.73	\$62.50	\$250.00
\$60,000	\$34.52	\$10.00	\$24.16	\$68.68	\$274.72
\$70,000	\$40.27	\$10.00	\$28.19	\$78.46	\$313.84
\$80,000	\$46.03	\$10.00	\$32.22	\$88.25	\$353.00

* The information in this table is purely illustrative. The table is based on contributions for the first year of your membership only (and assumes you are employed, aged between 18 and 65 and join at the start of the KiwiSaver year).

The table assumes:

- That ESCT is deducted from the employer's contribution at the currently applicable rates of 17.5% for the first four examples, and 30% for the last three examples in the table – see page 11 of the 'Other Material Information' on the Scheme website; and
- That all KiwiSaver incentives applying as at October 2016 continue.

The table does not take into account investment returns, fees or inflation over time.

Benefits of KiwiSaver¹

	Employees (3%, 4% or 8%)	Self-employed (min \$100 deposit or \$20 per month direct debit) ²	Not working (min \$100 deposit or \$20 per month direct debit) ²
Government contributions (up to \$521.43 pa)	✓	✓	✓
Employer contributions	✓	✗	✗
KiwiSaver HomeStart grant (subject to qualifying conditions)	✓	✓	✓

¹ As at **October 2016**.

² This is the current minimum contribution amount and rate for a non-employed member of the BCF KiwiSaver Scheme.

When can I withdraw my savings?

Savings are currently locked in until you reach 65 or complete five years' membership, whichever is later. There are exceptions though – some savings may be withdrawn for purchasing your first home or for significant financial hardship, serious illness or permanent emigration other than to Australia.

Can I take a break from making KiwiSaver contributions?

Although funds are 'locked in', employed members can take a break from contributing for up to five years at a time by applying for a 'contributions holiday'. You will need to restart your contributions from pay at the end of the holiday unless you apply for a further contributions holiday. These 'holidays' can be taken after a year of membership. There is no limit to the number of times you can take a contributions holiday.

If you are self-employed or non-employed, you can take a break from contributing at any time.

How do I apply to join the BCF KiwiSaver Scheme?

You can join the BCF KiwiSaver Scheme by printing and completing the Application Form at the back of the Product Disclosure Statement, and sending the form (together with proof of identity) to the address below. Legal guardians must complete Application Forms for minors.

Self-employed, non-earners and children

If you are self-employed or a non-earner, you invest directly with the BCF KiwiSaver Scheme. To do so, you must also complete the Direct Debit Authority (on the website) to make a regular contribution of at least \$20 per month.

If you are unable, or do not wish, to commence a direct credit at this time, then you must make an initial deposit of \$100 (by cheque made out to 'BCF KiwiSaver Scheme'). Minors can, but don't have to, contribute (however some form of contribution is necessary to meet Scheme administration fees).

Completed forms should be sent to:

BCF KiwiSaver Scheme

c/o PO Box 5206
Terrace End
Palmerston North 4441

If you have any questions, you can contact
MJW on 0800 BCF INFO (0800 223 4636).





Important Notes

This booklet is not a substitute for reading the BCF KiwiSaver Scheme's Product Disclosure Statement, which summarises the principal terms of Scheme membership and contains other important information on matters such as fees, tax and investment risk. The legislation and Government policy referred to in this booklet apply as at October 2016 and are subject to change.

The information contained in this publication was prepared on the basis of information available at the time of preparation. This publication provides general information only and should not be relied on in making decisions about KiwiSaver.

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