



BCF KiwiSaver Scheme Q & A

July 2025

Table of Contents

Q1	What is KiwiSaver?	3
Q2	Why was the BCF KiwiSaver Scheme established?	3
Q3	Who can join?	3
Q4	What are the benefits offered to members of the BCF KiwiSaver Scheme?	3
Q5	Are the contributions from my employer taxed?	4
Q6	Can I see some worked examples of what contributions might be paid for my benefit?	4
Q7	How will my money be invested?	5
Q8	When can I get my money out?	6
Q9	Who is involved in providing the BCF KiwiSaver Scheme?	8
Q10	How much do I have to contribute?	8
Q11	Can I stop contributing?	9
Q12	What if I am already a KiwiSaver scheme member?	10
Q13	Is there any risk that I could lose money in the BCF KiwiSaver Scheme?	10
Q14	What will happen if I leave the Brethren community?	11
Q15	What are the charges?	11
Q16	What is the “PIE tax” regime?	12
Q17	Where can I get more information?	12

Q1 What is KiwiSaver?

KiwiSaver is a voluntary work-based retirement savings system set up by the Government to encourage New Zealanders to prepare for their retirement. New Zealanders who save through a KiwiSaver scheme receive valuable savings incentives.

Q2 Why was the BCF KiwiSaver Scheme established?

The BCF KiwiSaver Scheme (**BCF Scheme**) operates to provide members of the Plymouth Brethren Christian Church community with access to KiwiSaver benefits. Until the BCF Scheme began operating in April 2011, KiwiSaver participation was not viable for the Plymouth Brethren Christian Church community, including because joining KiwiSaver would have involved Church members' money being pooled with money held for persons who were not members of the Plymouth Brethren Christian Church.

For more information on the BCF 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/.

Q3 Who can join?

Only members of the Plymouth Brethren Christian Church community can join the BCF Scheme.

Additionally, as with any KiwiSaver scheme, to be eligible to join you must be living or normally living in New Zealand (or a State Services employee serving overseas) and a New Zealand citizen or entitled to permanent residence in New Zealand.

Q4 What are the benefits offered to members of the BCF KiwiSaver Scheme?

Under legislation applying as at July 2025 (which is subject to change) the key KiwiSaver savings incentives are as follows:

Compulsory employer contributions: If you are an employee aged 18 (or from 1 April 2026, 16) to 64 then, while you contribute to the BCF Scheme from your after-tax pay, your employer must also contribute to your BCF Scheme account (on top of your pay, unless you have agreed otherwise). As at July 2025 your employer's contributions must equal 3% of your before-tax salary or wages. This rate will increase to 3.5% on 1 April 2026, then 4% on 1 April 2028, assuming in each case you contribute at the same or a higher rate.

Government contributions: If you are aged 16 to 64, are contributing to the BCF Scheme and are otherwise eligible (see below) then, whether or not you are an employee, the Government will make contributions to your BCF Scheme account at the rate of 25 cents for every dollar you contribute, up to a maximum annual government contribution of \$260.72 (which equals \$5 a week) per full year of qualifying membership.

The additional eligibility criteria are that you live mainly in New Zealand, and you had taxable income of \$180,000 or less in (as applicable - see the **Other Material Information** document at bcfkiwisaver.co.nz/scheme-details/ for more information) the most recently completed income year (1 April to 31 March) or the previous income year.

Q5 Are the contributions from my employer taxed?

Employer contributions are subject to a withholding tax called employer's superannuation contribution tax (**ESCT**). ESCT is deducted from your employer's contributions before the remaining money goes into your account. The ESCT rate is usually the same as your marginal tax rate, but different tests apply (for more information, including the ESCT rates applying as at July 2025, see the **Other Material Information** document at bcfkiwisaver.co.nz/scheme-details/).

Q6 Can I see some worked examples of what contributions might be paid for my benefit?

Example 1 – employee

A is aged 25, earns \$60,000 a year, lives in New Zealand and starts contributing to the BCF Scheme on 1 July 2025 at the minimum contribution rate of 3% of before-tax pay (just over \$34.50 a week) which applies until 31 March 2026. A's contributions then increase to 3.5% (around \$40.15 a week) on 1 April 2026 and 4% (around \$45.89 a week) on 1 April 2028 – see **question 10**.

A's employer starts contributing to the BCF Scheme for A's benefit at the same time, at the compulsory employer contribution rate. This is of 3% of A's before-tax pay until 31 March 2026, increasing to 3.5% on 1 April 2026, then 4% on 1 April 2028 – see **question 4**. ESCT is deducted from the employer's contributions at the rate of 17.5%.

This is what the contributions made to the BCF Scheme for A's benefit could total after 3 years (i.e. by 30 June 2028):

Year	A's contributions	Compulsory employer contributions	Government contributions	Total
1	1,875	1,547	261	3,683
2	2,100	1,733	261	4,094
3	2,175	1,794	261	4,230
Total	6,150	5,074	783	12,007

Example 2 – non-employee

B is aged 30, is not an employee (i.e. not receiving salary or wages), lives in New Zealand and has had taxable income of less than \$180,000 in each of the two most recently completed income years.

B makes direct credit contributions to the BCF Scheme at the rate of \$20 a week.

This is what the contributions made to the BCF Scheme for B's benefit could total after 3 years:

Year	A's contributions	Compulsory employer contributions	Government contributions	Total
1	1,043	-	261	1,304
2	1,043	-	261	1,304
3	1,043	-	261	1,304
Total	3,129	-	783	3912

Important notes:

- The information in each of the above tables is **purely illustrative**, is rounded up or down to the nearest dollar, and is based on the KiwiSaver and tax legislation applying as at July 2025 (which includes the pending minimum employee and employer contribution rate increases described above). Legislation and government policy are both subject to change.
- Conditions apply** to receiving government contributions, and not all members will qualify (see **question 4**). As shown, A and B are both assumed to be aged between 16 and 64, continuously living in NZ and below the maximum taxable income threshold for government contributions eligibility.
- Each table shows only **contributions**. It assumes no suspension of the member's contributions, and in A's case no temporary rate reductions – see **question 10**). It does not take into account investment returns (positive or negative), fees, charges, or inflation.
- No person guarantees the performance or obligations of the BCF Scheme, and there is **no Crown guarantee** of any KiwiSaver scheme, or of any KiwiSaver fund in which you invest.

Q7 How will my money be invested?

The Trustee's current investment strategy for the BCF Scheme is to:

- invest principally in **term deposits with New Zealand-registered banks**, but
- also have modest exposures (directly or through other managed investment schemes whose investors are all members of or organisations within the Plymouth Brethren Christian Church) to **loans made on arm's length terms to Plymouth Brethren Christian Church organisations**.

As at July 2025, the money in the BCF Scheme is invested mainly in bank deposits, but the BCF Scheme's investments also include direct loans made on arm's length terms to organisations within the Plymouth Brethren Christian Church, each of which is secured by a first mortgage over land.

Cash and cash equivalent investments such as bank deposits, and fixed interest investments ('bonds') comprising loans to other organisations, are traditionally regarded as conservative investments because they have lower expected risk but are expected to produce lower returns over time than growth assets such as shares and property.

Once the Scheme's assets have reached a sufficient size (as determined by the Trustee) the Scheme's investments may be diversified into other investment types consistent with Plymouth Brethren Christian Church investment principles. Those investment types may include, without limitation, any of the following:

- New Zealand government securities, including Treasury Bills
- debt securities issued by New Zealand local authorities
- shares in businesses owned by members of the Plymouth Brethren Christian Church
- investments in commercially tenanted or other real property owned by organisations within the Plymouth Brethren Christian Church, and
- investments in other managed investment schemes established for (and whose other investors are all members of or organisations within) the Plymouth Brethren Christian Church.

At a later date, the Trustee intends considering whether or not to provide BCF Scheme members with a choice of investment options. In that case there will likely be a conservative option weighted towards bank deposits and bonds.

In determining its investment strategy from time to time, the Trustee is assisted by its investment consultant (Melville Jessup Weaver), which also acts as the Scheme's Administration Manager.

Q8 When can I get my money out?

The KiwiSaver Scheme Rules currently allow withdrawals to be made from the BCF Scheme in the following circumstances (for more details, see the **Product Disclosure Statement** at bcfkiwisaver.co.nz/scheme-publications/):

- **Reaching KiwiSaver Qualifying Age:** This is the standard NZ Super qualifying age (currently 65). You will be able to withdraw some or all of your BCF Scheme balance at any time after you reach KiwiSaver Qualifying Age.
- **Buying your first home:** Subject to restrictions in the KiwiSaver legislation as amended from time to time, you will be able to make a withdrawal from the BCF Scheme to help you purchase your first home or land if it is in New Zealand and:
 - 3 or more years have passed since you first joined a KiwiSaver scheme

- you have never made a home purchase withdrawal from any KiwiSaver scheme before
- you intend the home or land to be your main residence, and
- you have never owned property before (limited exceptions apply).

If you have owned property before, you may still be able to make a home purchase withdrawal if you give the Trustee written confirmation from Kāinga Ora that it considers you to be in the same financial situation as a first home buyer.

After the withdrawal, you must leave a minimum of \$1,000 in your BCF Scheme account (as well as any amount you may have transferred to KiwiSaver from an Australian scheme).

- **Permanently emigrating:** One year after permanently emigrating from New Zealand to any country except Australia, you can withdraw your BCF Scheme balance, excluding:
 - all government contributions (other than any \$1,000 'kickstart' contribution received if you joined KiwiSaver before 21 May 2015) – the government contributions amount must be repaid to Inland Revenue, and
 - any amount you may have transferred to KiwiSaver from an Australian scheme – this amount must remain in KiwiSaver until you are able to withdraw it on another basis.

If you permanently emigrate to Australia then:

- you cannot make a permanent emigration-based withdrawal, but
 - you can choose between remaining in the BCF Scheme and transferring your entire balance, including all government contributions, to an approved Australian scheme which accepts such transfers¹.
- **Significant financial hardship:** In certain circumstances (prescribed in the KiwiSaver Scheme Rules), you will be able to make a partial withdrawal from the BCF Scheme if we are satisfied that you are suffering (or likely to suffer) from significant financial hardship. We must be reasonably satisfied that you have explored and exhausted reasonable alternative sources of funding.
 - **Serious illness:** You will be able to make a full withdrawal from the BCF Scheme if we are reasonably satisfied that you are suffering from an injury, illness, or disability:
 - making you totally and permanently unable to engage in work for which you are suited by reason of experience, education, or training; or
 - that poses a serious and imminent risk of death.

¹ As at July 2025, we have not identified any Australian complying superannuation scheme which is viable for Plymouth Brethren Christian Church members, including because in those schemes members' money would be 'pooled' with that of persons who were not members of the Plymouth Brethren Christian Church.

- **Life-shortening congenital condition:** If you have a life-shortening condition that is congenital (i.e. one you were born with) then, subject to restrictions in the KiwiSaver legislation as amended from time to time, you may be permitted to make an early withdrawal, but in that case you will no longer be eligible for government contributions or compulsory employer contributions.
- **Death:** If you die then your full balance will be paid to the executors or administrators of your estate on request (unless it is less than a prescribed amount – currently \$15,000 – and certain other conditions are met, in which case it may be paid direct to a surviving spouse or caregiver).
- **Other withdrawals:** You can withdraw any Australian sourced amount after reaching age 60 if you satisfy the 'retirement' definition under Australian law.

Withdrawals may also be required by law (for example, if a court directs the release of funds from your account under a relationship property sharing order).

Q9 Who is involved in providing the BCF KiwiSaver Scheme?

The Trustee of the BCF Scheme is Arotahi Trust Limited, which operates for the sole purpose of acting as Scheme trustee and has three members of the Plymouth Brethren Christian Church as its shareholders and directors. The Trustee:

- holds all BCF Scheme assets for the Scheme members' benefit, and
- is responsible for managing the Scheme and ensuring it is administered in accordance with its Trust Deed and all applicable laws.

The Trustee has delegated the performance of Scheme administration functions to an Administration Manager, Melville Jessup Weaver (**MJW**). MJW's role includes establishing and maintaining members' accounts, processing contributions, responding to member enquiries, and calculating and paying benefits.

Q10 How much do I have to contribute?

Employees

If you are an employee then (except as described at Q11) you must contribute to the BCF Scheme from your after-tax salary or wages. Your employer will deduct your contributions and pay them to Inland Revenue, which will then pay them to the BCF Scheme.

As at July 2025, you can choose to contribute at the rate of 3%, 4%, 6%, 8% or 10% of your before-tax salary or wages. However, the standard minimum rate will increase to 3.5% on 1 April 2026, then 4% on 1 April 2028.

If you do not choose a contribution rate, your rate will be the minimum which applies from time to time.

You can change your standard contribution rate through your employer or Inland Revenue.

Effective on or after 1 April 2026, you can apply to Inland Revenue (through *myIR* at ird.govt.nz) to reduce your contribution rate temporarily to 3% for up to 12 months (and you can apply for another temporary rate reduction when that period ends). While a temporary rate reduction applies, your employer's required contribution rate (see **question 4**) will also reduce to 3%. For more information see the **Other Material Information** document at bcfkiwisaver.co.nz/scheme-details/.

Self-employed or non-employed persons

If you are self-employed or non-employed (and are aged 18 or more) then to open a BCF Scheme account you must:

- complete the *Payment instructions* form at the back of the Product Disclosure Statement to set up regular direct debit contributions of at least \$20 per month, or
- if you are unable, or do not wish, to commence a regular direct credit at this time, make an initial contribution of at least \$100 (to do this, you must contact the Administration Manager directly).

Minors

If you are aged under 18, no contributions are required in order to join the BCF Scheme (unless you are employed and paying income tax, in which case you must contribute as described under *Employees* above), but:

- some form of contribution is necessary in order to meet the Scheme's annual fund charges and administration fees, and
- we can close a member's BCF Scheme Account if it has a nil balance.

Note that minors aged 16 or 17 can receive government contributions (see **question 4**) provided they meet the other eligibility criteria.

Q11 Can I stop contributing?

If you are employed, you can take a "savings suspension" (i.e. suspend your payroll-sourced contributions) after contributing for 12 or more months, or if you are suffering (or are likely to suffer) financial hardship. You can do this by applying to Inland Revenue through *myIR* at ird.govt.nz.

A savings suspension can be for any period between 92 days and one year and there is no limit to how often you can take a savings suspension. Inland Revenue will notify you before the suspension period ends, and you must resume contributing at the end of that period unless you apply for a new savings suspension through *MyIR*.

While you are on a savings suspension, your employer need not make employer contributions.

If you are self-employed or non-employed, you can stop (and resume) contributing at any time.

Once you reach KiwiSaver Qualifying Age (currently 65), you may notify your employer to stop making KiwiSaver contributions from your pay. This is called a “non-deduction notice”, and it does not require any later renewal.

Q12 What if I am already a KiwiSaver scheme member?

The KiwiSaver Act allows you to elect to transfer to the BCF Scheme so long as you meet the eligibility requirements. As you can only be a member of one KiwiSaver scheme at a time, if you choose to transfer then you must transfer your entire KiwiSaver account balance to the BCF Scheme (and you will then no longer be a member of your existing scheme). Your existing KiwiSaver scheme may charge you a transfer fee.

Q13 Is there any risk that I could lose money in the BCF KiwiSaver Scheme?

Risk is inherent in all investments. None of the Trustee (Arotahi Trust Limited), the Government or anyone else guarantees that you will receive back the money invested for you in the BCF Scheme and there is no guarantee or promise of any particular rate of return on your investment.

Because your returns will be linked to the amounts in your BCF Scheme accounts when you receive benefit payments, and because those accounts will have investment earnings allocated to them at rates determined by the Trustee (and be debited with expenses and possibly investment losses) there is a risk that you will not fully recover the contributions made to the Scheme for your benefit. Possible reasons for this include those set out in:

- section 4 of the **Product Disclosure Statement** for the BCF Scheme (under *What are the risks of investing?*), and
- section 5 of the **Other Material Information** document for the BCF Scheme (under *Risks*)

and those documents are available on the Scheme’s website at bcfkiwisaver.co.nz/scheme-details/.

Under the KiwiSaver and tax legislation applying as at July 2025:

- if you are an employee aged 18 (or from 1 April 2026, 16) to 64 then your employer must also contribute to your KiwiSaver account at the before tax rate of 3% of your salary or wages, increasing to 3.5% on 1 April 2026 and 4% on 1 April 2028 (assuming in each case you contribute from pay at the same or a higher rate), and
- while you are aged 16 to 64, live mainly in New Zealand and are below the maximum taxable income threshold (**see question 4**), the first \$1,043 a year of your own contributions (this equals \$20 a week) will

entitle you to government contributions to your KiwiSaver account at the rate of 25 cents per dollar of your contributions, up to a maximum government contribution of \$260.72 per full year of KiwiSaver membership.

These incentives minimise the risk of you receiving less than your own contributions.

Q14 What will happen if I leave the Brethren community?

If the Trustee determines that after joining the BCF Scheme you have ceased to break bread with Plymouth Brethren Christian Church members, then it can transfer your balance to a “Segregated Pool” within the BCF Scheme, where it will be held separately from the assets held for other members (in the “Main Pool”). Before doing this, the Trustee must first give you 5 working days’ notice of:

- the nature of and the reason for the proposed transfer
- how your balances will be invested post-transfer
- any material implications in terms of future investment returns or fees, and
- the fact that you may transfer to another KiwiSaver scheme at any time.

Our current policy is that any balances held from time to time in the Segregated Pool will be invested solely in bank deposits.

Q15 What are the charges?

The Administration Manager will deduct an annual **administration fee** from your balance, in monthly instalments. This fee is based on the number of BCF Scheme members from time to time and will begin reducing if and when the Scheme’s membership exceeds 1,000 (see section 5 of the **Product Disclosure Statement**, headed *What are the fees?*).

As at July 2025, the annual administration fee is \$63.25 per member. This is fixed until 31 March 2028, when it will be reviewed.

In addition, the Trustee also recovers all of its other expenses from Scheme assets, and these are payable as **annual fund charges** on top of the administration fee. The annual fund charges include investment costs (including for investing into any other managed investment scheme), the Licensed Independent Trustee director’s fees, audit, legal and filing fees and printing and postage costs.

The currently estimated annual fund charges for the Scheme are set out in the **Product Disclosure Statement**, and the Trustee must publish an annual fund update for the BCF Scheme showing the fees actually charged during the most recent Scheme year. The latest fund update is available at bcfkiwisaver.co.nz/scheme-publications.

All KiwiSaver scheme fees are subject to the KiwiSaver Act 2006 requirement that KiwiSaver scheme fees not be unreasonable. Subject to that requirement we can alter or add to the BCF Scheme's fees from time to time.

Q16 What is the “PIE tax” regime?

The BCF Scheme is a portfolio investment entity (**PIE**). This means you will pay tax on your investment earnings from the Scheme at your “prescribed investor rate” (**PIR**), which is currently 10.5%, 17.5% or 28% depending on your income level for each of the last two completed tax years (1 April to 31 March).

You must advise the Administration Manager of your IRD number and PIR when joining the BCF Scheme. Inland Revenue provides some guidance at ird.govt.nz/pir on determining your PIR.

Each year the taxable income earned by the BCF Scheme on its investments will be attributed to you in proportion to your savings balance, and we will pay tax on that income at your PIR by deducting it from your balance. If the PIR applied to you is lower than your correct PIR then you will be required to pay any tax shortfall as part of the income tax year-end process. If the PIR applied to you is higher than your correct PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

If the BCF Scheme were not a PIE then all members would pay tax at the rate of 28% on all taxable investment income.

Q17 Where can I get more information?

More information about the BCF Scheme is contained in the following documents, each of which has been prepared specially for the BCF Scheme:

- **Overview** booklet
- **Product Disclosure Statement** (with Application Form at the back), and
- **Other Material Information** document.

If you have any remaining questions, please contact the Administration Manager either by phone at **0800 BCF INFO** (0800 223 463) or by email at bcfkiwisaver@mjlw.co.nz.

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

BCF KiwiSaver Scheme

c/- Melville Jessup Weaver
Level 7, 20 Ballance Street
PO Box 1096
Wellington 6140

Tel: 0800 BCF INFO (223 463)

bckiwisaver@mjlw.co.nz
www.bckiwisaver.co.nz