

# Changes to KiwiSaver Policy since 2022

Background paper prepared by the Ministry of  
Business, Innovation and Employment for the  
Retirement Commissioner's 2025 Review of  
Retirement Income Policy



# Ministry of Business, Innovation and Employment (MBIE)

## Hīkina Whakatutuki – Lifting to make successful

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

### **MORE INFORMATION**

Information, examples and answers to your questions about the topics covered here can be found on our website, [www.mbie.govt.nz](http://www.mbie.govt.nz)

### **DISCLAIMER**

This document is a guide only. It should not be used as a substitute for legislation or legal advice. The Ministry of Business, Innovation and Employment is not responsible for the results of any actions taken on the basis of information in this document, or for any errors or omissions.

July 2025

©Crown Copyright

The material contained in this report is subject to Crown copyright protection unless otherwise indicated. The Crown copyright protected material may be reproduced free of charge in any format or media without requiring specific permission. This is subject to the material being reproduced accurately and not being used in a derogatory manner or in a misleading context. Where the material is being published or issued to others, the source and copyright status should be acknowledged. The permission to reproduce Crown copyright protected material does not extend to any material in this report that is identified as being the copyright of a third party. Authorisation to reproduce such material should be obtained from the copyright holders

# KiwiSaver policy changes

This report provides an overview of changes to KiwiSaver policy since 2022 when the last Review of Retirement Income Policies was issued. The purpose of the report is to assist the Retirement Commissioner to compile the 2025 Review of New Zealand Retirement Income Policies.

KiwiSaver is a voluntary work-based retirement savings scheme set up by the government to help New Zealanders save for their retirement. Individuals, employers, and the Government each contribute, and funds are invested on behalf of members by KiwiSaver providers.

The Government has made several changes to KiwiSaver policy since the 2022 Review of Retirement Income Policies. These are summarised under the relevant subheadings below.

## GOVERNMENT KIWISAVER CONTRIBUTIONS

From 1 July 2025, the government contribution will drop from 50 cents to 25 cents for each dollar members contribute to their KiwiSaver each year. This reduces the maximum government contribution from \$521.43 to \$260.72 per annum.

Members aged 16 or 17 will qualify for government contributions, so long as they meet other eligibility requirements.

Members who earn more than \$180,000 of taxable income a year will not be eligible for the government contribution.

These changes do not affect government contributions for the year ending 30 June 2025. These will be paid in July and August 2025 at the current government contribution rate.

## DEFAULT EMPLOYER AND EMPLOYEE CONTRIBUTION RATES

From 1 April 2026, the default KiwiSaver contribution rate will rise to 3.5% (from 3%) for members and employers. Members aged 16 or 17 will qualify for employer KiwiSaver contributions from 1 April 2026, so long as they meet other eligibility requirements.

From 1 April 2028, the default KiwiSaver contribution rate will rise again to 4% (from 3.5%) for members and employer.

## CONDITIONS OF DEFAULT PROVIDERS

There are a range of KiwiSaver funds available. Members can choose a fund from a KiwiSaver scheme provider and switch at any time. KiwiSaver members who do not choose their own fund and are between 18 and 65 years of age are automatically enrolled in a “default fund”.

KiwiSaver default fund providers are appointed on a contractual basis by the Government. In December 2021, six KiwiSaver providers were appointed to provide default funds for a seven-year term. The appointed providers include BNZ Investment Services Ltd, Booster, BT Funds Management (Westpac), Fisher Funds, Simplicity and Smartshares (NZX).

Default KiwiSaver providers are required to engage with their members at key points of their retirement savings journey to help them make more informed decisions about their retirement savings. This helps with things like understanding what fund is best for an individual’s circumstances, and how much they should be contributing so they are on track for the type of retirement they want. The times that default providers engage with members are:

- Within three months of onboarding onto the fund
- Within three months of withdrawing funds to purchase a first home
- Within three months of turning age 55, and
- Within three months of turning age 65.

In 2025, the Minister of Commerce and Consumer Affairs reviewed the engagement obligations for default providers as part of the review obligations set out in the default provider notices of appointment. Following this review and engagement with providers, the Minister of Finance and the Minister of Commerce and Consumer Affairs agreed to change the obligation for default providers to engage with members after a first-home withdrawal from three months to six months after the withdrawal. The default providers’ notices of appointment have been amended and this change to member engagement obligations commenced in July 2025 to align with the reporting periods.

## PAID PARENTAL LEAVE

The financial position of women at retirement is typically less secure than men. Although women tend to live longer than men, the average KiwiSaver balances of men are 20 percent higher than those of women. The reasons for this are varied and include overrepresentation in lower paid roles, lower rates of labour force participation, and time spent out of the workforce to raise children or care for family members.

Paid Parental Leave (PPL) is a payment made to qualifying individuals and is intended to make up for lost income when a person takes time out of the workforce to have a baby. PPL payments match a person's weekly income up to a certain amount.

Since 1 July 2024, government pays a 3% KiwiSaver contribution to eligible Paid Parental Leave recipients. To be eligible, Paid Parental Leave recipients also need to contribute 3% of their Paid Parental Leave payments to their KiwiSaver accounts. This helps to increase the KiwiSaver balances of PPL recipients, many of whom are women.

## ALLOWING DEATH INFORMATION TO BE SHARED WITH KIWISAVER SCHEME PROVIDERS

The accounts of deceased KiwiSaver members can become dormant, no longer receiving contributions while still incurring KiwiSaver provider fees.

In some cases, the scheme provider may not learn of the member's death or know the contact details of the deceased member's estate. In other circumstances, the executors or administrators may be unaware the deceased's KiwiSaver account exists. In either case, the member's account will not be distributed to the member's intended heirs.

In 2024, the KiwiSaver Act was amended to allow Inland Revenue to provide KiwiSaver providers with information relating to the administration of a deceased member's estate. This can assist providers in contacting the executors or administrators of the deceased member's estate.

## ENROLLING PERSONS AGED UNDER 16 IN KIWISAVER

The ability of prospective KiwiSaver members to enrol in KiwiSaver varies with age. These settings seek to balance access to KiwiSaver against the rights of parents and guardians to make decisions about the welfare of the young people for whom they are responsible.

However, the previous enrolment rules could pose a challenge for solo parents in situations when it was difficult to secure the agreement of a former partner who is a guardian of the young person.

In 2025, the KiwiSaver Act was amended so that, from 1 July 2025, young people under the age of 16 can enrol in KiwiSaver provided one of their guardians contracts directly with a provider in the name of the young person. This may help encourage young people to begin saving for their retirement and reduce the barriers to enrolling in KiwiSaver.

## Conclusion

This paper has outlined changes to KiwiSaver policy since the 2022 Review of Retirement Income Policies. The Ministry of Business, Innovation and Employment looks forward to being of any further assistance to the Retirement Commissioner in completing the 2025 Review. Further information on the changes outlined in this report can be found online:

KiwiSaver government contributions and default contribution rates: [KiwiSaver changes](#)

Paid parental leave: [KiwiSaver and paid parental leave | Inland Revenue \(ird.govt.nz\)](#)

Allowing death information to be shared with KiwiSaver scheme providers: [Taxation \(Annual Rates for 2023–24, Multinational Tax, and Remedial Matters\) Bill | Inland Revenue \(ird.govt.nz\)](#) (page 128)

Enrolling persons aged under 16 in KiwiSaver: [Taxation \(Annual Rates for 2024–25, Emergency Response, and Remedial Measures\) Bill | Inland Revenue \(ird.govt.nz\)](#) (page 78)