

NZBA Comment on 2013 Review of Retirement Income Policies

5 November 2013

The New Zealand Bankers' Association welcomes the Review of Retirement Income Policies discussion document released by the Commission for Financial Literacy and Retirement Income.

We believe that the discussion document contains several practical recommendations that, if implemented, will help New Zealanders better prepare for retirement. This is especially important as we face an ageing population that's living much longer than previous generations.

In particular we were pleased to see the Review encourage greater KiwiSaver enrolment, better tax incentives for savings, and a review of New Zealand Superannuation.

A mix of private and publicly funded retirement income is a necessity for New Zealanders today. KiwiSaver has been very successful in getting people to start saving for a better retirement. Moves to get more people on board would benefit individual KiwiSavers and the country as a whole.

The proposal to remove tax on bank deposit savings interest above the rate of inflation will encourage private savings across the board. It would also be a positive development for retired people who often rely on the income from their savings to make ends meet.

The NZ Bankers' Association would also welcome a review of New Zealand Super to ensure it remains both fair and affordable as the population evolves.

Overall, we believe that the discussion document sets a practical way forward. We look forward to seeing it progressively put in place to help develop a more sustainable and positive retirement for New Zealanders.

If you have any questions about NZBA's views on the Review, please contact:

Kirk Hope

Chief Executive

Telephone: +64 4 802 3355/ +64 27 475 0442

Email: kirk.hope@nzba.org.nz