

SIGNIFICANT FINANCIAL HARDSHIP GUIDE

ABOUT THIS GUIDE

This guide will assist you with applying for a Significant Financial Hardship withdrawal.

Please take time to read this guide very carefully and refer to it when completing your *significant financial hardship application form*.

WHO CAN APPLY?

A KiwiSaver scheme member, who meets at least one of the below requirements as specified by the KiwiSaver Act 2006.

You must be able to demonstrate that you're unable to meet:

- minimum living expenses; or
- mortgage repayments on your principal family residence resulting in the mortgagee seeking to enforce the mortgage on the residence; or
- the cost of modifying a residence to meet special needs arising from your disability or your dependant's disability; or
- the cost of medical treatment for illness or injury to you or your dependant;
- the cost of palliative care for you or your dependant; or
- the cost of a funeral for your dependant;
- or you're suffering from a serious illness.

You can read this online at www.legislation.govt.nz.

For your application to be considered, you must:

- be experiencing significant financial difficulties
- have fully completed the application form by answering all questions
- have provided all of the supporting documents
- have your application form and information in the supporting documents matching each other
- complete the statutory declaration contained in the application form

To request a form, please call our Helpline on **0508 637 237**. They can email or post you a copy.

SUPPORTING DOCUMENTS

Documents that verify your identity, such as your passport, must be certified copies (**please do not send us original documents**). Certified copies are photocopies that have been witnessed and endorsed by a person who is authorised to do so by law, such as a Justice of the Peace, lawyer or notary public.

All other supporting documents can either be originals or copies.

If you are unable to provide satisfactory evidence of having taken budgetary advice, your application will likely be declined.

For more information and other application forms, visit our website at mercersupertrust.co.nz

Please note the Trustee must be satisfied that you have explored and exhausted reasonable alternative sources of funding to relieve your financial hardship before considering your application.

THE PROCESS

This is an overview of how the process works.

STAGE ONE

Complete an initial self-assessment

Quickly check whether you meet the requirements under the KiwiSaver Act 2006. This will help you to decide whether or not to submit an application.

For example, if you are applying under the minimum living expenses criteria – consumer debt such as paying off hire purchases, personal loans, credit cards, etc. and discretionary spending such as entertainment, is not generally considered to be part of minimum living expenses and therefore may not satisfy the financial hardship criteria.

STAGE TWO

You submit an application

You complete and send us an application form.

First, please indicate under which category you are submitting your Significant Financial Hardship application.

You will then need to provide us information about your income, expenses and how you meet the specific requirements for significant financial hardship; for example which minimum expenses you are not meeting. When your form is completed, post it together with the correct supporting documents to:

Mercer (N.Z.) Limited, PO Box 1849, Wellington, New Zealand

IMPORTANT: Do not submit your original documents such as your passport, only send copies.

Documentation required to enable the Trustee to validate the information you have provided in your Significant Financial Hardship application form should include the following items:

1. copies of the three most recent monthly bank statements for all your bank accounts and all your credit cards. These will be used to verify information you provided in the form

2. a budget statement, from a budgetary service which you have used. This helps to show that you have taken steps to alleviate your hardship before applying for a financial hardship withdrawal
3. for any outstanding loans, hire purchase and other debts, you must provide documents such as statements or letters showing the total outstanding amounts, any arrears, details of regular repayments and the term of the loan
4. if you are receiving or are entitled to a benefit, correspondence from WINZ showing what you are entitled to

Additional documents, such as outstanding bills or demands for payment, will also be required as supporting evidence if these have been mentioned in your application.

Until all these documents are received we will not be able to forward your application to the Trustee for its consideration.

STAGE THREE

We check your application

When we receive your application, we will check it to ensure that all relevant details have been completed and all supporting documents have been enclosed.

If any information is found to be incomplete or missing we may return the application to you for updating before we send it to the Trustee for consideration.

STAGE FOUR

We send your application to the Trustee

All Significant Financial Hardship applications are submitted to the Trustee on a weekly basis.

After checking the information you have provided, the Trustee will proceed with a careful assessment of your application.

Checking will generally involve assessing whether your application satisfies one of the significant financial hardship criteria, for example, are you in fact unable to pay your mortgage.

If any information is found to be incorrect or incomplete the Trustee may choose not to progress consideration of your application.

If, during the application process, your circumstances change, you must notify the Trustee immediately in writing.

STAGE FIVE

Decision-making

The Trustee has discretion as to whether or not to approve your application and, if so the amount that may be withdrawn from your KiwiSaver account.

The Trustee will assess your application for a withdrawal against the requirements of the KiwiSaver Act 2006 and particularly on whether you are able to demonstrate you meet significant financial hardship.

The Trustee may require additional information if it considers the information supplied is insufficient to enable it to make a decision.

Please allow time for the receipt, checking and assessing of your application form. We recommend you wait at **least fifteen working days** after which if you have not heard from us, you may call our Helpline on **0508 637 237**. Alternatively, you can login to your account online to check the status of your application.

STAGE SIX

Withdrawal

If your application is approved, you will receive a letter advising you of this and your payment will be transferred into your personal New Zealand bank account.

The Trustee may limit the amount of your withdrawal if in the Trustee's opinion a lesser amount will be enough to alleviate your financial hardship.

If your application is declined, you will receive written confirmation of the Trustee's decision.

APPLICATION FORM

This section provides information on how to complete the steps included in the *Significant Financial Hardship* application form.

IMPORTANT: You need to answer all relevant questions and include all supporting evidence. The information required is summarised in the 'Checklist' in the Significant Financial Hardship application form. If you do not complete all relevant fields in the form or include all supporting evidence, your application will be returned.

COMPLETING STEP 1

Complete all of the information in this step. You must also provide at the very least, either your membership or IRD number. If neither are provided, the form will be returned to you.

Dependants, may be:

- children that live at home, or
- those you still support financially, or
- any other dependant family members.

COMPLETING STEP 2

You can withdraw all or a part of:

- Your contributions
- Your employer contributions

You can't withdraw any of the government contributions, being:

- the \$1,000 kick-start which you received if you first joined before 21 May 2015. If you joined after 21 May 2015 your balance must be at least \$1,000 after the withdrawal.
- annual member tax credits that have built up over time
- fee subsidies (if applicable).

COMPLETING STEP 3

Tick to confirm that you have enclosed a bank encoded deposit slip for a New Zealand Bank account in your name.

COMPLETING STEP 4

Here you will need to provide all the information about what you own (assets) and what you owe (liabilities). Please include as much detail as possible and ensure that the figures are added for what you own and what you owe, as well as at the end.

The figures you provide will be checked against the supporting information and if these do not match the application form will be returned to you.

The Trustee may request other supporting information when it is considering your application.

COMPLETING STEP 5

Enter all income that you receive from all sources and include income received by your partner or spouse.

COMPLETING STEP 6

Provide details of all of your expenses for the month. Your expenses must be reasonable and match the supporting documents such as bank statements.

If some of your expenses fall outside of the categories listed in this step, please include them as *other* and specify what they are.

Annual expenses will need to be divided by 12, to provide a monthly amount.

All calculations including the total must be done by you. If for example, total amounts are not completed, the form may be returned to you.

COMPLETING STEP 7

All relevant information which supports your case of being in Significant Financial Hardship must be provided in this step or as supporting evidence. Please explain in as much detail as possible why in your opinion you are experiencing financial hardship and what you have done so far to resolve it.

The Trustee must be reasonably satisfied that alternative sources of funding have been explored and exhausted.

COMPLETING STEP 8

Documents that verify your identity must be certified copies. You can arrange to certify your photocopied documents at the same time as you are completing step 9.

COMPLETING STEP 9

The declaration must be signed by you, in front of a person who is authorised to do so by law, such as a Justice of the Peace, notary public or lawyer. We recommend you obtain certification of your proof of identity at the same time.

FOR MORE INFORMATION

If you have questions about any of the information in this guide visit our website mercersupertrust.co.nz or call our Helpline on **0508 637 237** (if calling from within New Zealand).

If you're calling from overseas you can contact us on **+61 3 8687 1886**. Helpline hours are from 9am to 7pm, Monday to Friday and except public holidays.

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