

## MERCER KIWISAVER SCHEME SIGNIFICANT FINANCIAL HARDSHIP

The purpose of your KiwiSaver savings is for your retirement. A significant financial hardship withdrawal can help during times of financial difficulty. In this document we explain how to determine if you are eligible, how to apply and what information you need to supply.

### AM I ELIGIBLE? DO ANY OF THESE APPLY?

- Unable to pay for basic living expenses such as power, water, phone and food bills?
- Unable to pay residential mortgage/rental payments?
- Unable to pay to modify your home to meet special needs if you or a dependent family member is disabled?
- Unable to pay for medical treatment for you or a dependent family member because of serious illness, injury or palliative care?
- Incurred funeral costs as a dependent family member has died?

If you feel you are suffering hardship and have exhausted all other reasonable alternative sources of funds, you can apply for a KiwiSaver early withdrawal.

#### Also consider:

- If you need some help with your finances, you could arrange to visit a Budget Adviser in your area. There are lots of free Budget Advisory Services across New Zealand who can give advice about government support, debt consolidation and finance options. You can find more information at <http://www.familybudgeting.org.nz/>
- If you're an employee, once you've been a member of KiwiSaver for 12 months you can choose to take a break from saving – this is called a contributions holiday. **To do this, please contact Inland Revenue on 0800 549 472.**

### OVERVIEW – WHAT YOU NEED TO KNOW

#### **Minimum living expenses generally include:**

- basic food and groceries
- mortgage (on your residential home)/rent/board payments
- basic clothing
- utility bills (power, water, phone)
- basic transport costs
- expenses in relation to any financial dependents with special needs.

#### **Minimum living expenses don't include:**

- fines or infringement notices
- debt collection agency bills
- hire purchase debt relating to non-essential living expenses
- holidays
- travel to visit a sick relative.

#### **Financial dependents**

This includes a partner, children and/or relative.

**NOTE – To be financially dependent, the person must be fully dependent on you.**



## BEFORE YOU APPLY

You will need to explore alternative sources of funding and provide evidence of this, such as asking Work and Income (WINZ) for assistance. Whether they can help you or not, we'll need to see evidence that you've talked to WINZ.

Ask your bank for help. As above we'll need to see evidence that you have talked to them.

## HOW MUCH CAN I APPLY TO WITHDRAW?

You can apply to withdraw all of the funds in your KiwiSaver account excluding any Government contributions (kick-start and member tax credits), but this doesn't mean that you'll be entitled to receive this amount.

If your application is approved, you'll receive an amount that, in the Supervisors opinion, is required to relieve your hardship. Generally this covers any shortfall for your minimum living expenses for three months, plus an amount to pay any overdue bills or arrears.

## WHO MAKES THE FINAL DECISION?

All KiwiSaver schemes are trusts, with a licensed supervisor who is independent of the provider. Mercer is your KiwiSaver provider, and our role is to assess your application. However, it is the Supervisor who makes the final decision, taking into account your individual circumstances and the requirements of the KiwiSaver Act.



## HOW DO I APPLY FOR A HARDSHIP WITHDRAWAL?

If you think you're eligible for a KiwiSaver hardship withdrawal, follow the steps below.

**Step 1:** Complete the application form in full.



**Step 2:** Collect all of the supporting documents listed in the checklist (see page 1 of the application form). We need these to determine your current household financial position.



**Step 3:** Take your application form to a Justice of the Peace or any other authorised person as per page 7 of the form. You'll need to sign in front of them and they will witness your declaration.



**Step 4:** Send us your application form and all of the supporting documents.



## HOW LONG DOES IT TAKE?

If you provide all of the information we need to assess your financial situation in the first step we'll be able to give you an outcome in 15 business days. If the scheme Supervisor has to ask for additional information, this will cause delays in the processing of your application.



## WHAT HAPPENS ONCE YOU RECEIVE MY APPLICATION?

**Step 1:** We receive your application and supporting documents.



**Step 2:** We check your application and supporting documents. If anything is missing we'll let you know that we need more information. We can't continue to the next step until we have everything we need from you.



**Step 3:** When you've given us all the information we need we'll assess your application.



**Step 4:** We send your application and supporting documents to the Supervisor for a final decision.



**Step 5:** We'll let you know the outcome either by email or letter.



**Step 6:** If your application is approved, we'll make payment to the bank account stated on your application form.

## Have any questions?

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Find alternative hardship resources at: <http://www.familybudgeting.org.nz/>