# Other Material Information – Withdrawals

This document relates to the Kiwi Wealth Super Scheme ('Scheme') and should be read in conjunction with the Scheme's Product Disclosure Statement.

In this document, Kiwi Wealth Investments Limited Partnership ('we', 'our', or 'us') provides a general overview of how withdrawals are made from the Scheme. Withdrawals are also covered in the Scheme's Product Disclosure Statement.

The information in this document could change in the future. Please check the offer register at www.disclose-register.companiesoffice.govt.nz for any updates.

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## How do I withdraw my investment?

When you can withdraw your money will depend on your membership type.

As set out in the Product Disclosure Statement, the Scheme is currently a qualifying recognised overseas pension scheme under UK law ('QROPS').

For so long as the Scheme is a QROPS, members of the personal section of the Scheme ('Personal Members') can apply to transfer amounts from a United Kingdom registered pension scheme (directly or via a current or former QROPS) to the Scheme ('UK Transfer').

You may only make a UK Transfer if you are a New Zealand tax resident.

***There is no guarantee that we will maintain QROPS status. We recommend that you discuss proposed UK Transfers with UK and New Zealand financial and tax advisers, and your UK pension provider, to understand the implications of a UK Transfer. No person involved in providing the Scheme, including us and the Supervisor, Public Trust, takes any responsibility for any UK tax liabilities, other charges or any other adverse events or outcomes that arise as a result of you transferring to the Scheme.***

If you have made a UK Transfer (directly or via a current or former QROPS) to the Scheme, any withdrawals from the Scheme are subject to the UK pension rules applicable to QROPS, as they apply to the Scheme ('QROPS Rules') until the UK Transfer amount has been exhausted. **This means members who have made a UK Transfer cannot make a withdrawal from the Scheme until they are entitled to make a withdrawal under the QROPS Rules (see 'QROPS' withdrawal type below).**

*Employer Members*

Unless your employer's participation agreement with us in respect of your membership ('Participation Agreement') contains different conditions, members of the employer section of the Scheme ('Employer Members') can withdraw their savings as follows. Any different conditions will be set out in any product disclosure statement supplement ('Supplement') given to you with the Scheme's Product Disclosure Statement.

The table below shows the main types of withdrawals available and what you can withdraw, unless your Supplement specifies otherwise.

| Withdrawal type | What can I withdraw? |
|---|---|
| **Normal retirement date**<br>You reach:<br>• age 55, as long as you've been a member of the Scheme for at least five years; or<br>• any other date after your 55th birthday set out in your Supplement or that we agree to. | The full value of your member account. You are not required to cash in your investment when you reach your normal retirement date. |
| **Early withdrawal**<br>You are 55 or older, but have not yet reached your normal retirement date, and we approve a withdrawal in our absolute discretion. | Up to 20% of your total member account every 12 months.<br>You cannot make a withdrawal where:<br>• we consider payment of the withdrawal may be prejudicial to any member, any contribution made, or the status or treatment of the Scheme under any law; or<br>• the total amount withdrawn during a 12 month period will exceed 20% of the total value of your member account at the beginning of the period, measured as at the start of the 12 month period immediately before the withdrawal. |
| **Redundancy** or **Resignation** | The full value of your member account. You can also remain a member and make voluntary contributions to your member account (although your employer will not be required to continue contributing). |
| **Significant financial hardship**<br>We, in our sole discretion, determine that payment of all or part of your member account is justified on you suffering 'hardship' because of:<br>• your inability to meet minimum living expenses; or<br>• your inability to meet your mortgage repayments on your principal family residence resulting in the mortgagee seeking to enforce the mortgage on the residence; or<br>• the cost of modifying a residence to meet special needs arising from your disability or the disability of any of your dependants; or | Up to the full value of your member account. |



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| Withdrawal type | What can I withdraw? |
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| • the cost of medical treatment for an illness or injury suffered by you or any of your dependants; or<br>• the cost of palliative care for you or any of your dependants; or<br>• the cost of a funeral for any of your dependants; or<br>• you suffer from a serious illness. | |
| **Total and permanent disablement**<br>We are of the opinion that you have ceased to be employed by your employer as a result of total and permanent disablement, which means:<br>• you suffer the total and permanent loss of the use of two limbs, or the total and permanent loss of sight of both eyes, or the total and permanent loss of the use of one limb and the total and permanent loss of sight of one eye, where 'limb' means the whole hand or foot;<br>• you are wholly disabled by bodily injury, illness or disease (including a mental condition) and because of it are permanently unable to follow your own or any other occupation for which you are reasonably suited by education, training or experience; or<br>• you meet the requirements of any other definition set out in the Participation Agreement. | The full value of your member account. |
| **Death** | The full value of your member account (which will be paid to your estate). |

You may also withdraw if your employer changes their workplace plan to another superannuation scheme, or if they are put into liquidation or bankruptcy. If you cease to participate under your employer's Participation Agreement, but remain an employer member, different benefits will apply (see 'Employer ceasing participation' below).

*Personal Members – General*

Personal Members can make a withdrawal in accordance with the superannuation scheme rules set out in the Financial Markets Conduct Regulations 2014 and the trust deed for the Scheme ('Trust Deed').

The table below shows the main types of withdrawals available and what you can withdraw. UK Transfers can only be withdrawn as set out under 'QROPS' withdrawal type below, and members who have made a UK Transfer cannot make a withdrawal from any section of the Scheme until they are eligible to make a QROPS withdrawal, as outlined above.

| Withdrawal type | What can I withdraw? |
|---|---|
| **End payment date**<br>You reach the earlier of:<br>• New Zealand Superannuation qualification age (currently age 65)<br>• age 60, as long as Public Trust is reasonably satisfied that you have permanently retired from business or employment. | The full value of your member account. |
| **Transition to retirement**<br>Public Trust is reasonably satisfied that you have reached an age that is 10 years before the New Zealand superannuation qualification age and the withdrawals are to be made through periodic payments that relate to each other and are made over an identifiable period of time in accordance with the Trust Deed. | Periodic withdrawals over up to a 10 year period which are calculated in accordance with the formula set out in the superannuation scheme rules, and which should result in you having some money in your account when you reach the New Zealand superannuation qualification age. |
| **Significant financial hardship**<br>Public Trust is reasonably satisfied that you are suffering or are likely to suffer from ‘significant financial hardship’, as defined in the superannuation scheme rules.<br>This includes significant financial difficulties that arise because of:<br>• your inability to meet minimum living expenses; or<br>• your inability to meet your mortgage repayments on our principal family residence resulting in the mortgagee seeking to enforce the mortgage on the residence; or<br>• the cost of modifying a residence to meet special needs arising from your disability or the disability of any of your dependants; or<br>• the cost of medical treatment for an illness or injury suffered by you or any of your dependants; or<br>• the cost of palliative care for you or any of your dependants; or<br>• the cost of a funeral for any of your dependants; or<br>• if you suffer from a serious illness (as defined immediately below). | Up to the full value of your member account. |
| **Serious illness**<br>Public Trust is reasonably satisfied that you are suffering or are likely to suffer from serious illness, as defined in the superannuation scheme rules.<br>‘Serious illness’ means an injury, illness, or disability: | Up to the full value of your member account. |

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| • that results you being totally and permanently unable to engage in work for which you are suited by reason of experience, education, or training, or any combination of those things; or<br>• that poses a serious and imminent risk of death. | |
| **Death** | The full value of your member account (which will be paid to your estate). |
| **QROPS withdrawal**<br>If you are eligible to withdraw your UK Transfer amounts, as outlined under 'Personal Members – UK Transfers' below. | Up to the full UK Transfer amount. |

*Personal Members – UK Transfers*

UK Transfers can only be withdrawn in accordance with the QROPS Rules, under which a withdrawal can currently be made when:

- you reach the UK minimum pension age (currently 55); or
- you qualify for an ill health or serious ill health withdrawal under UK law, or you die.

The requirements for ill health and serious ill health withdrawals are currently as follows:

- **Ill health:** If you retire before age 55 because of ill-health and provide us and Public Trust with evidence from a registered medical practitioner that you are, and will continue to be, incapable of carrying on your occupation because of physical or medical impairment, then you may make a withdrawal in the same way as if you had reached age 55.
- **Serious ill health:** If you retire before age 55 because of serious ill-health and provide us and Public Trust with evidence from a registered medical practitioner that you are expected to live for less than one year, then you may withdraw the full value of UK Transfer investment as a lump sum.

Any returns earned in your member account following a UK Transfer are ignored for the purposes of determining how much can be withdrawn under the QROPS Rules.

If you make a withdrawal not authorised under the QROPS Rules (either as a lump sum or an annual pension), you may be subject to an unauthorised payments charge and surcharge under UK law of up to 55% of the amount withdrawn. See 'Withdrawing or transferring UK Transfers' below for more information.

Generally, under a retirement or ill-health withdrawal, 25% of the transferred amount, plus an amount equal to any returns, will be tax free. You may be liable to pay UK tax on the balance, depending on your tax residency. The exact position under New Zealand and UK tax laws will depend on your individual circumstances. We recommend you seek advice before making a withdrawal to determine if any tax is payable.

The requirements of the QROPS Rules may change from time to time. Withdrawals of funds from a UK Transfer will also be subject to any other terms and conditions we:

a agree with the provider of the scheme from which the transfer came; and/or b determine are necessary, desirable, or in your interests or the interests of the Scheme, having regard to applicable laws and UK tax authority requirements (including limits or restrictions that have the purpose of ensuring that the Scheme complies with the requirements for a QROPS).

*All members*

We may also have to pay out under a Court order (for example, a property sharing order under the Property (Relationships) Act 1973).

You may need to provide documents to support your application for a withdrawal (such as medical evidence).

Once you reach your normal retirement date (Employer Members), end payment date (Personal Members), or become eligible to make a withdrawal from a UK Transfer amount (Personal Members), you can withdraw all the money you are entitled to as a single lump sum or you can keep your account open and set up regular withdrawals or make occasional withdrawals.

A $100 minimum applies to each regular withdrawal and a $500 minimum applies to a one-off partial withdrawal. In addition, all withdrawals must be in $10 multiples. We can change these amounts in the future.

**Withdrawing or transferring UK Transfers**

**Important note**

The information below is intended as general guidance only. We recommend that you seek professional financial and tax advice (both UK and New Zealand) regarding your individual circumstances prior to withdrawing or transferring a UK Transfer. If you made a UK Transfer to the Scheme prior to 23 March 2018, the terms and conditions set out in this document may not apply to you in relation to that transfer. Please contact us for more information.

Neither we, nor Public Trust, nor any other person involved in providing the Scheme to you takes any responsibility for any UK tax charges that arise as a result of making withdrawals or transfers of previous UK Transfers.

*When UK charges may apply*

You may be subject to UK tax charges if you withdraw or transfer a UK Transfer (regardless of whether it was transferred directly to the Scheme or via another current or former QROPS) if it was transferred from a UK pension scheme and you have been a UK tax resident at any time within the current or preceding 10 UK tax years, or 5 years for persons who transferred their UK pension money outside the UK before 6 April 2017.

An unauthorised payments charge of 40%, and an unauthorised payments surcharge of 15% of the amount withdrawn or transferred, may be imposed. The UK tax year runs from 6 April to 5 April. The imposition of these tax charges depends on the application of the complex rules applying to UK pension plans.

*We must report withdrawals and transfers to UK tax authorities*

Where you have made a UK Transfer, we must report withdrawals or transfers of those funds to the UK tax authority, HM Revenue & Customs. These reports have to be made until you are no longer subject to the UK tax charges, as outlined above, **and** there has been a period of at least ten years from the date of the original transfer from a UK registered pension scheme.

By making a UK Transfer, you accept that we will report such withdrawals or transfers to HM Revenue & Customs and agree to provide us with any further information we require to make these reports.

*Overseas transfer charge*

An overseas transfer charge of 25% may apply on a transfer of UK Transfer funds out of the Scheme in the same way as it could apply to a transfer into the Scheme. See 'Other material information – UK Transfers' on the offer register at www.disclose-register.companiesoffice.govt.nz for more information.

*New Zealand foreign superannuation transfer tax rules*

You may be subject to New Zealand tax when you make a UK Transfer. In general terms, the taxable amount of the transfer depends on when you make the transfer.

Unless you are eligible to make a withdrawal from the Scheme, you will not be able to access your UK Transfer or your member account funds to meet this tax liability. We recommend you talk to a tax adviser.

**How to withdraw your investment**

*How to apply*

To apply for a withdrawal, you must provide:

- a completed withdrawal form available from us; and
- any required evidence to support your application (details are on the forms).

Once a withdrawal is approved by us or Public Trust (as applicable), we will sell the required assets in your member account at the next available monthly investment cycle, and pay the proceeds to you. Payments will be made within 15 business days of the last day of the relevant month, the relevant month being the month in which the withdrawal is approved.

**Restrictions on withdrawals**

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| *Restrictions applying to transferred amounts* | You may not be able to withdraw funds that you have transferred from another scheme to the Scheme until additional conditions are satisfied. Withdrawal conditions from the other scheme may apply. For example the amount transferred may be subject to a requirement for all or part of the transfer to be locked in or withdrawn in the form of an annuity, or other form of income for life. |
| *Suspensions* | Subject to relevant law, we can suspend withdrawals or transfers from the Scheme or in respect of a particular fund within the Scheme for up to 90 days if we in good faith determine that giving effect to withdrawals or transfers is not practicable, would or may be prejudicial to the general interests of members of the Scheme (or members invested in the particular fund), or is not desirable for the protection of the Scheme or a particular fund. We will consult with Public Trust before putting in |

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| | place a suspension. We will notify all affected investors of the suspension.<br><br>A suspension can be extended for longer than 90 days (or shortened to less than 90 days) if Public Trust agrees. There is no limit on the extension of time that Public Trust could agree to. If we suspend withdrawals and that suspension subsequently ends (either through the passing of time or us cancelling it early), then unless we determine otherwise we will process transfers and withdrawal requests affected by the suspension as if a final determination as to eligibility for the benefit or request to transfer (as applicable) had been made on the valuation day following the date the suspension lapsed. |
| *Side-pocketing* | We can 'side-pocket' certain assets and liabilities of one or more funds within the Scheme, with the approval of Public Trust, if we consider that it is in the interests of members in the fund or funds concerned generally to do so.<br><br>Side-pocketing is designed to separate illiquid assets from other more liquid assets in a fund (for example, in situations where withdrawals might otherwise need to be suspended). This usually involves quarantining the illiquid assets and making special arrangements in relation to those assets to enable that quarantining to occur. This includes arrangements that prevent or restrict your ability to access (for example for the purposes of making a benefit withdrawal) the part of your interest in the fund that relates to those assets. We will notify you if we exercise this power. |

**Other ways of cashing in your investment**

*Cashing in to transfer to another scheme*

If you are an Employer Member, and on leaving employment or leaving the Scheme you apply to join another retirement scheme (a registered KiwiSaver, superannuation, or workplace savings scheme, or a single-person self-managed superannuation scheme), we will transfer the value of your member account to the other scheme when we receive written notice from that scheme. If you qualify for a full withdrawal from the Scheme and wish to leave the Scheme, you can also transfer the value of your member account to a workplace savings, superannuation, or KiwiSaver scheme, or an equivalent overseas retirement scheme (meaning any trust or other arrangement established in a country other than New Zealand that has the purpose of providing retirement benefits directly or indirectly to individuals).

If you are a Personal Member you can apply to transfer the value of your member account to another superannuation scheme, KiwiSaver Scheme, or an equivalent overseas retirement scheme. If the other scheme indicates it will accept you as a member, we will transfer the value of your member account to that scheme. UK Transfers can only be transferred to another QROPS, and the UK overseas transfer charge referred to above may apply.

If you have made a UK Transfer, you should note that in certain circumstances there may be adverse UK tax consequences of a transfer to another registered superannuation scheme that is not a QROPS, withdrawals of a UK Transfer from the Scheme that are over your UK 'lifetime allowance' threshold (currently £1,073,100 million), or withdrawals of funds that are not consistent with retirement savings or provision for retirement as defined in UK legislation. You may contact us for more details about UK tax charges.

We can suspend transfers from the Scheme as outlined above. When you transfer to another scheme, you will no longer be a member of the Scheme and will not be entitled to any further benefits from the Scheme.

*Cashing in if your employer ceases to participate in the Scheme*

Below is a summary of the implications of a Participating Employer ceasing to participate in the Scheme. Full details are set out in the Trust Deed.

A Participating Employer will cease to participate in the Scheme in the circumstances listed in the Trust Deed (for example, on the giving of notice by the Employer or us that the Employer's participation will end, or if the Employer is put into liquidation or bankruptcy).

In these circumstances, we will decide with the Employer whether there will be a partial wind-up of the Scheme or if the Scheme will continue in respect of the Employer Members.

If it is decided that there will be a partial wind-up we will notify you (as an Employer Member) and you can elect to remain in, or withdraw from, the Scheme (in the manner described in the Trust Deed). If you elect to withdraw, we will then realise your member account as soon as possible and pay you the proceeds.

If it is decided that the Scheme will continue in respect of the Employer Members (or if you remain a member following the partial wind-up of the Scheme):

- your Employer will be released from all future obligations under the Scheme (and will have no further rights or powers in respect of the Scheme);
- we will make all decisions relating to the administration and investment of the Scheme for you; and
- you can continue to make contributions as agreed with us.

If you cease to be employed by a Participating Employer you can remain an Employer Member and can continue to make voluntary contributions to your member account.

However, if you remain an Employer Member in either of the situations outlined above, your employer's Participation Agreement will not apply to you.

This means that:

- any fee reduction that applied under the Participation Agreement will cease, and you will be subject to the fees set out in the Product Disclosure Statement (including the minimum annual fee); and
- benefits will be available to you:
    - *if a decision is made that the Scheme will continue in respect of Employer Members*: as set out in the PDS as if there was never a Participation Agreement in place; or

- *if you remain a member following the partial wind-up of the Scheme, or you cease employment but remain an Employer Member:* at any time (either partial or full withdrawals) unless we consider that payment of the withdrawal may be prejudicial to the status or treatment of the Scheme, or to any member of the Scheme or any contribution made by or in respect of a Member under the Scheme under any law.

*Cashing in if the Scheme is wound up*

- If the Scheme is wound up, you will be paid your interest in the Scheme, excluding any UK Transfer received by the Scheme on or after 6 April 2012, after, costs, debts and any withdrawals due are paid.
- If you made a UK Transfer to the Scheme on or after 6 April 2012, those funds will be:
  - transferred to another retirement scheme or other superannuation scheme (you can choose the scheme, but it must be recognised by UK tax authorities as a QROPS); or
  - applied in any other way that satisfies any requirements imposed by UK tax authorities on such UK Transfers and / or any terms and conditions applicable to the UK Transfer.

**You cannot transfer your interest in the Scheme to someone else**

You are not permitted to assign, charge, pass to any other person or mortgage your interest in the Scheme in any way.

It is possible that we would have to pay some or all of your member balance to someone else. This may occur in one of the following circumstances:

- Through a court order under the Property (Relationships) Act 1976.
- Subject to relevant law, if at the time you become eligible to receive a benefit you are a minor, do not have legal capacity, or are (in our opinion) incapable of managing your own affairs, we or Public Trust may pay the amount payable to another person for your benefit on the terms we or Public Trust think are appropriate.
- If Public Trust has reason to believe you have committed (or you are likely to commit) an act of bankruptcy, then to the maximum extent permitted by law you will forfeit entitlement to all your benefits under the Trust Deed. To the maximum extent permitted at law, Public Trust will hold and may apply the benefits which would otherwise have been payable to you for the benefit of you or any of your dependants, as we think is appropriate.
- If neither we nor Public Trust are able to locate you more than six years after the date on which the benefit was due, then Public Trust may forfeit the benefit and apply it under section 77 of the Trustee Act 1956.