

# Increase your KiwiSaver savings with MTC

December 2011

If you are 18 or older, each year the government pays a subsidy into your KiwiSaver Account. It's called the MTC (member tax credit). The current subsidy is \$1 for each \$2 you save up to a maximum. The maximum MTC each year is \$521.43. This is tax free.

The full maximum applies once you have been in KiwiSaver for more than 12 months. In the first year, the maximum is proportionate based on how long you have been a member at your first 30 June. Each year after the first, it will be \$521 if you save \$1,043.

In the year you turn 18, you will get your first MTC calculated from your 18<sup>th</sup> birthday to the next 30 June. Each year after that it will be the \$521 maximum if you save \$1,043.

Each year, if you have not saved your maximum, you can top up your savings before 30 June to get it. If you are a member of SuperLife, we will normally let you know before 30 June if you need to do that.

You get the MTC based on your savings. Each \$1 you save is subsidised by the government up to your maximum. You don't have to save to the maximum. SuperLife applies for MTC for you after 30 June each year – you do not have to do anything other than save. It is normally paid in July.

## To get the MTC

If you are an employee	If you are not an employee
<ul style="list-style-type: none"> <li>• <b>Check your payslip</b> See how much you are saving from your pay. If it is less than \$20 a week (or \$87 a month) you will not get the maximum, but you will get MTC on the amount you are saving.</li> <li>• <b>Are you on a contributions holiday?</b> While you are on a contributions holiday, you can save directly to SuperLife to get your MTC. Contributions do not have to be by payroll deduction.</li> <li>• <b>Save extra</b> You can also save extra directly to SuperLife while you are saving from your pay.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Choose how much to save</b> You can decide how much to save and save directly to SuperLife. You get the maximum MTC if you save \$20 a week or \$87 a month or \$1,043 a year.</li> <li>• <b>Set up a direct debit</b> This lets you make regular savings each week, or each month and spread your savings over the year.</li> <li>• <b>Save a lump sum</b> Save a lump sum from time to time, or simply top up your savings before 30 June each year.</li> </ul>

## Different ways you can save with KiwiSaver

- Save a lump sum by completing the "Lump sum payment" form and send it to SuperLife Limited with your cheque (made out to SuperLife) or pay by internet banking.
- Set up regular savings by direct debit by filling out a direct debit form. Employees can do this as well as saving through their pay.
- If you are employed, your savings rate can be 2%, 4% or 8% of pay. Talk to your pay department if you wish to change your savings rate. From 1 April 2013, the 2% rate becomes 3%.
- If you are on a contributions holiday, you can also make voluntary savings directly to SuperLife.
- Call us to find out if you are able to transfer savings from your SuperLife superannuation accounts to your SuperLife KiwiSaver Account.

