

# KIWISAYER ANNUAL REPORT

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1 July 2014 – 30 June 2015





FINANCIAL MARKETS AUTHORITY  
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# Executive summary

## Purpose of this report

The main objective of the Financial Markets Authority (FMA) is to promote the development of fair, efficient and transparent financial markets.

Our aim across all our activities is to raise the standard of conduct, and increase investor and market confidence to support economic growth in New Zealand.

We are one of several government agencies with a role in regulating KiwiSaver, which amounts to a substantial part of New Zealand's collective wealth. For many New Zealanders, KiwiSaver may be their first investment and may be a large part of their retirement savings and ultimate financial security.

We are required to report each year on our main KiwiSaver activities. This year's report covers the period from 1 July 2014 to 30 June 2015, and contains a summary of the statistical returns required to be lodged by KiwiSaver schemes as at 31 March 2015.

## Our role

We are primarily responsible for the administration, monitoring and enforcement of the *KiwiSaver Act 2006*, parts of which have been replaced by the *Financial Markets Conduct Act 2013*. Our role includes:

- monitoring compliance with the disclosure regulations, which now require KiwiSaver providers to produce quarterly and annual disclosure statements
- managing a Default Monitoring Panel, which oversees the nine default schemes in which members are automatically enrolled if they don't choose their own scheme
- monitoring the licensed KiwiSaver trustees, who play an important role as frontline supervisors of the retail schemes (those chosen by members)

- together with Inland Revenue, registering new schemes, winding up schemes, and overseeing mergers
- ensuring resources are available to investors that allow them to make informed decisions about KiwiSaver.

## Highlights

### In the year to 31 March 2015

- Nearly 200,000 new members joined KiwiSaver, taking total membership to almost 2.5 million people.
- Total assets increased by a third to just under \$28.5 billion. This was mostly due to strong investment returns, which doubled from \$1.5 billion to \$3 billion during the year.
- Ten schemes, representing 88% of members, each have at least \$1 billion in assets. This is up from seven schemes last year.
- Member contributions (not including lump sums and other voluntary contributions) increased by 20% to \$2.4 billion. Crown contributions increased by 27% to \$927 million, and employer contributions increased by 21.5% to \$1.5 billion.
- More than 265,000 members transferred \$2.5 billion between schemes. With mergers excluded, the number is similar to last year, and is more than double the amount in 2013.
- The nine default schemes increased their combined assets to \$4 billion. However, their share of total assets fell from 17% to 14%, and their share of total membership fell from 20% to 18%.

- Just over 1 million members are regarded as non-contributors, which means they have not made a contribution in the previous two months, or they have failed to make their contracted payments. The percentage of non-contributing members fell from 44.5% last year, to 42.6% this year.
- More than \$232 million was transferred into KiwiSaver from overseas schemes this year, and from other superannuation schemes in New Zealand. This is almost double the amount last year, partly due to \$78 million being transferred from Australia.
- Around 93,000 KiwiSaver members switched between investment funds this year, involving almost \$1.4 billion. A net \$100 million was switched out of active default funds and conservative funds. The biggest gain was in balanced funds, followed by growth funds.
- This is the third year that members 65 and over, who have been in the scheme at least five years, have been able to withdraw their KiwiSaver balances. They withdrew \$422 million, a 12.7% increase on last year.
- First-home purchase withdrawals increased from \$169 million last year to \$213 million this year.
- Almost \$43 million was withdrawn due to significant financial hardship, a 37.5% increase on last year.

## Work underway

In December 2014, we published our *Strategic Risk Outlook 2015*, which identified our seven strategic priorities for the next three years. Six of these priorities have direct relevance to KiwiSaver: governance and culture, conflicted conduct, capital markets growth, sales and advice, investor decision-making, and effective frontline regulators.

We have already committed to improving the comparability of data provided by KiwiSaver schemes in their quarterly disclosure statements. We are consulting on the use of fund names and risk indicators, and we are reviewing how fees and returns are calculated. The aim is to achieve consistency, for KiwiSaver and other managed funds.

KiwiSaver members should receive appropriate advice and support when they transfer schemes, and we continue to be concerned about possible mis-selling, particularly sales processes and advice about switching.

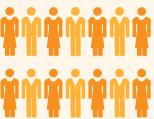
We are reviewing aspects of sales and advice practice, based on information we sought from 10 providers that cover more than 80% of KiwiSaver members. Our findings, based on this review and our monitoring work, will be reported in our forthcoming Sales and Advice report.

# Key trends

Unless stated otherwise, the following statistics are taken from the 2015 annual statistical returns, and refer to the period from 1 April 2014 to 31 March 2015.

## Membership

Membership increased during the year from almost 2.3 million members to almost

 **2.5 million members,**

a rise of 8.3%. Although this is an 8.3% increase over the previous year, growth has slowed from a 9.6% increase in the previous two years, and a 14% increase in 2012.

## Earnings

The amount earned from the investment of scheme assets doubled from \$1.5 billion last year, to just over

**\$3 billion**

this year. This largely reflects strong investment returns, given that assets increased by only 33%.

## Transfers

More than 265,000 members transferred almost

 **\$2.5 billion**

between KiwiSaver schemes in the year to the end of March. Although the total amount is lower than the \$3.6 billion transferred last year, a large proportion of last year's total was due to mergers at two of the largest providers. Excluding mergers, 170,000 members transferred schemes last year. The total this year, on a like-for-like-basis, is 177,000. We have previously expressed concern that KiwiSaver members do not have access to appropriate financial advice when considering transferring between KiwiSaver schemes or switching funds, and we are continuing to monitor this issue.

## Switching funds

Around

 **93,000, KiwiSaver members**

made switches between their investment fund options this year, involving almost \$1.4 billion. More than 260 members switched their type of fund at least five times during the year.

## Contributions

Crown contributions increased by

**27% to \$927 million**

during the year. As of 21 May 2015, new members are no longer eligible for the \$1000 kick-start payment from the Crown.

Employer contributions increased during the year by

**21.5% to \$1.5 billion**

This is the second full year that employers have been required to contribute at least 3% of an employee's salary or wage.

Lump sum contributions almost doubled during the year, from just under \$140 million last year, to just over \$275 million this year. Other voluntary contributions (not including those made at a standard contribution rate) fell slightly, from almost \$160 million last year, to just over \$137 million this year.

## Non-contributing members

Just over



1 million

members are regarded as non-contributors, which means they have not made a contribution in the previous two months, or they have failed to make their contracted payments. A significant number of these are under 17, or self-employed. Many self-employed members choose to make lump sum contributions close to the end of their tax year, rather than make regular contributions during the year. It also includes members on contribution holidays. The percentage of non-contributing members has fallen from 44.5% last year, to 42.6% this year.

## Transfers from other superannuation schemes

More than



\$232 million

was transferred into KiwiSaver from overseas schemes this year, and from other superannuation schemes in New Zealand. This is almost double the amount last year, and is largely due to new rules which made it easier to transfer certain schemes from overseas.

Of this total, almost \$78 million was transferred from Australian schemes to KiwiSaver, more than double the amount last year. Around \$1.1 million was transferred out of KiwiSaver to Australian schemes. This year was the first full year of trans-Tasman portability of retirement savings.

The remaining \$154 million came from registered superannuation schemes elsewhere in the world, including New Zealand. This is up from almost \$91 million last year.

## Types of schemes

In July 2014, nine default schemes (AMP, ANZ Default, ASB, BNZ, Grosvenor, Kiwi Wealth, Mercer, Fisher Funds TWO and Westpac) were appointed for a seven-year term. Membership of these schemes (where members are automatically enrolled if they don't choose their own scheme) fell by 7,559 people during the year.

The total number of retail schemes (those chosen by members) fell from 31 to 27. However, their total members increased by 197,696 people.

Membership of the 12 restricted schemes (open to specific groups of people employed in the same company or industry or some other defined group) increased slightly, but they continue to account for only 1% of total membership.

## Withdrawals

During the year,



8,911 members

withdrew funds of \$42.9 million under the significant financial hardship provisions of the KiwiSaver Act, a 37.5% increase on last year. Since KiwiSaver's inception, 41,980 members have used this provision.

This is the third year that members 65 and over, who have been in the scheme at least five years, have been able to withdraw their KiwiSaver balances. They withdrew \$422 million, a 12.7% increase on last year.

First-home purchase withdrawals increased from \$169 million last year to \$214 million at the end of March this year. On 1 April 2015, new rules came into effect for first-home withdrawals that effectively allow larger sums to be withdrawn.

## Exempt employers, and complying superannuation funds

The number of exempt employers and complying superannuation funds are continuing to decline. At the end of June 2015, 274 private sector employers were classified as exempt employers, down from 302 the previous year. There were 24 complying superannuation funds at the end of June, compared to 26 the previous year.

## Employer-preferred schemes

An employer can notify the Commissioner of Inland Revenue that it has chosen a preferred KiwiSaver scheme in which all of its eligible employees will be automatically enrolled unless they choose to join another scheme. This year, 18,692 employers had chosen a preferred KiwiSaver scheme, up on 18,088 last year.

## Membership profile

The percentage of members who are women has fallen slightly this year, although they still slightly outnumber male members. The proportion of members 17 and under has also dropped slightly, to 14.3%. Members aged 51 to 65 have slightly increased, while those over 65 have increased to 3.2%.

## Default schemes

Default providers are now required to report to the FMA on financial literacy initiatives, including their communications to members to encourage them to choose an investment fund. We will report on this next year.

## Size of schemes

# \$ Ten schemes

each have over \$1 billion in assets, up from seven last year. These schemes represent 88% of members. Another six schemes have between \$200 million and \$1 billion in assets, representing 9.5% of members.

## Number of schemes

There was further consolidation of schemes, with the total number dropping from 43 to 39. Schemes deregistered in the year to June were FirstChoice, Kiwibank, Law Retirement, and Brook Professional.

## New regulatory regime

The *Financial Markets Conduct Act 2013* (FMC Act) was a fundamental overhaul of financial regulation in New Zealand. The first phase of the Act came into effect in 1 April 2014, but it will not be fully implemented until 1 December 2016.

The main changes applicable to KiwiSaver managers and trustees are contained in part 4 of the FMC Act, which came into effect on 1 December 2014. This establishes governance rules for KiwiSaver schemes, as well as register and record-keeping duties. It also gives supervisors and the FMA the power to intervene if required.

There is a two-year transition period, which means KiwiSaver managers do not have to comply with the new Act until 1 December 2016. They can elect to comply earlier by choosing an 'effective date'. However, no schemes had yet moved to the new regime at the end of June. Managers need to ensure they will be able to meet the requirements of the FMC Act before the end of next year.

# Key activities

The following activities relate to the period from 1 July 2014 to 30 June 2015.

## Money Week

As part of our contribution to Money Week, which ran from 13-17 October in 2014, we publicised research we commissioned which questioned New Zealand investors' attitude to risk. The research revealed confusion about the risk profiles of different investments, including KiwiSaver investments. It also revealed that a large percentage of those surveyed (42%) erroneously believed KiwiSaver was guaranteed by the Government. In our publicity, we aimed to correct these perceptions and directed the public to resources, including the Sorted website and our own website, for more information.

## Strategic Risk Outlook

In December 2014, we published our *Strategic Risk Outlook 2015*, which identifies our seven strategic priorities for the next three years. Six of these priorities have direct relevance to KiwiSaver.

- *Governance and culture* – Ensuring boards and directors of KiwiSaver businesses lead with the right culture and values.
- *Conflicted conduct* – Focusing on safeguards for firms to avoid mis-selling and fee-driven models, particularly in vertically integrated businesses.
- *Capital markets growth* – Recognising the increasing role KiwiSaver plays in deepening our capital markets.
- *Sales and advice* – Focusing on mis-selling and KiwiSaver switching processes.
- *Investor decision-making* – Ensuring investors have comparable information on KiwiSaver through quarterly and annual disclosure statements, and ensuring they have access to advice once they are eligible to withdraw their assets.

- *Effective frontline regulators* – Ensuring KiwiSaver supervisors have the capability and resources to effectively carry out their roles.

## Guidance

We engage with KiwiSaver providers to address problems as they arise, and this includes publishing guidance on particular issues as required.

- In December 2014, we issued guidance for KiwiSaver managers on how to transition to managed investment schemes under the new FMC Act.
- In February 2015, we outlined the process for getting a certificate from the FMA to apply for registration of a new KiwiSaver, superannuation or workplace savings scheme.

## Other work underway this year includes:

- consulting on the use of fund names and risk indicators, for KiwiSaver and other managed funds, with the aim of achieving consistency. This will help investors to more easily compare funds and to make better-informed decisions.
- reviewing how fees and returns are calculated in quarterly and annual disclosure statements, and in offer documents. The aim is to get consistency among KiwiSaver providers and managed funds.
- reviewing aspects of sales and advice practice, based on information we sought from 10 providers that cover more than 80% of KiwiSaver members. Our findings, based on this review and our monitoring work, will be reported in our forthcoming Sales and Advice report.

## Investor capability strategy

During the year we finalised our investor capability strategy, which sets out how we will work with other organisations and the financial sector to improve investor understanding and confidence. The strategy was launched by the Commerce Minister in July 2015 and aligns with the Government's broader strategy on financial capability, to ensure our work is integrated with other government agencies.

We have identified KiwiSaver members as one of two groups we will focus on. This will include working with the Commission for Financial Capability and the financial services industry to develop shared messages and tools to improve investors' understanding of KiwiSaver. We will also use the growing engagement with KiwiSaver (including by younger people using KiwiSaver for their first home) to discuss investing fundamentals and broader investment options.

## New website

In March 2015, we revamped our website with improved navigation and content. As well as compliance information for those we regulate, the website has a KiwiSaver section for consumers, including information such as how to join KiwiSaver, fund types, and how to transfer funds from other countries.

## Ongoing activities

- We work closely with Inland Revenue (IRD) before registering any new schemes. There have been no new schemes registered during the year. We also work with IRD to ensure any scheme wind-ups are managed effectively, and to follow-up any member complaints received by their KiwiSaver call centre.
- We continue to manage the Default Monitoring Panel, which supervises the nine default schemes.
- We monitor and update registers of exempt employers, and complying superannuation funds as their status expires. The registers can be found on our website.

# Facts at a glance

These statistics are taken from the 2015 annual statistical returns, and refer to the period from 1 April to 31 March.

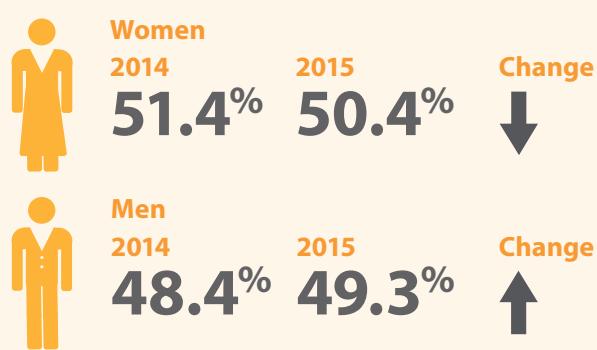
	2014 <sup>1</sup>	2015	Change (in percentage points) <sup>2</sup>
<b>Number of schemes</b>	43	39	4 ▼
<b>Membership</b>			
Contributing members	1.3 million	1.4 million	7.7% ▲
Non-contributing members	1.0 million	1.1 million	3.8% ▲
Total members	2.3 million	2.5 million	8.3% ▲
<b>Assets invested</b>	\$21.4 billion	\$28.5 billion	33.0% ▲
<b>Investment returns</b>	\$1.5 billion	\$3.0 billion	100% ▲
<b>Member contributions</b>			
Standard contributions	\$2.0 billion	\$2.4 billion	20.0% ▲
Lump sum contributions	\$139.7 million	\$275.4 million	97.1% ▲
Other voluntary contributions	\$160 million	\$137.4 million	14.1% ▼
<b>Employer contributions</b>	\$1.2 billion	\$1.5 billion	21.5% ▲
<b>Crown contributions</b>	\$731.1 million	\$926.8 million	26.8% ▲
<b>Withdrawals</b>			
Significant financial hardship	\$31.2 million	\$42.9 million	37.5% ▲
First-home purchase	\$168.7 million	\$213.8 million	26.7% ▲
Aged 65 or over	\$374.3 million	\$421.9 million	12.7% ▲
<b>Default schemes</b>			
Total membership	20.0%	18.2%	▼
Total assets	17.1%	14.3%	▼
<b>Retail schemes</b>			
Total membership	78.9%	80.8%	▲
Total assets	80.7%	83.6%	▲
<b>Restricted schemes</b>			
Total membership	1.0%	1.0%	same
Total assets	2.1%	2.1%	same

Note:

<sup>1</sup> Some totals may not add exactly, due to rounding.

<sup>2</sup> These figures are based on the actual, non-rounded totals.

### Gender profile



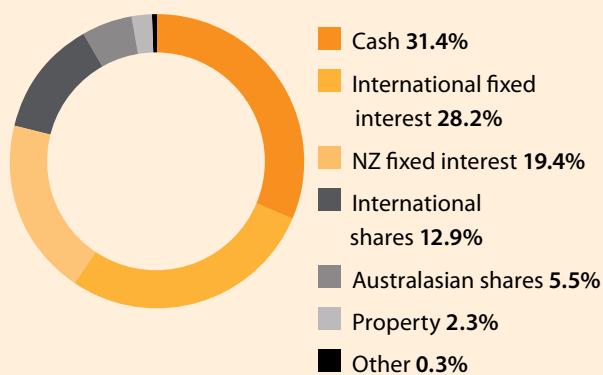
### Age profile

	2014	2015	Change
17 and under	14.9%	14.3%	↓
18-35	35.6%	35.7%	same
36-50	25.0%	25.0%	same
51-65	21.5%	22.0%	↑
66-75	2.9%	3.2%	↑

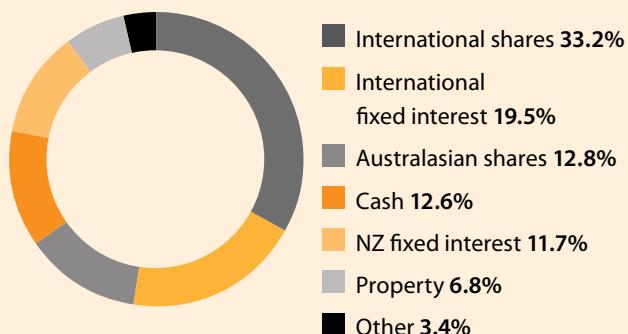
### Risk profile

In the following pie charts, the assets of the top 10 KiwiSaver schemes are shown by benchmark asset allocation for the conservative, balanced and growth funds.

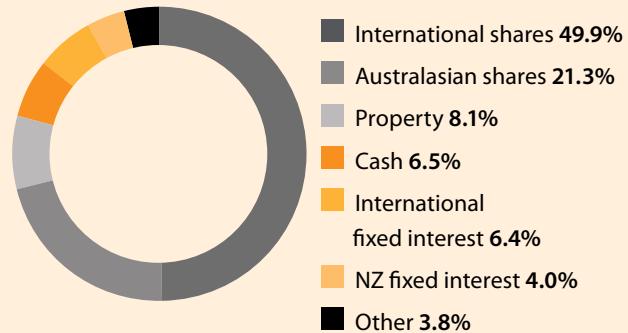
#### Conservative portfolio



#### Balanced portfolio



#### Growth portfolio



**Member contributions\***

**2015 \$2.4 billion**  
**2014 \$2.0 billion**  
**2013 \$1.5 billion**  
**2012 \$1.3 billion**

\*Does not include lump sums and other voluntary contributions

**Assets invested**

**2015 \$28.5 billion**  
**2014 \$21.4 billion**  
**2013 \$16.6 billion**  
**2012 \$12.7 billion**

**Number of members enrolled**

**2015 2.5 million**  
**2014 2.3 million**  
**2013 2.1 million**  
**2012 1.9 million**

**Investment returns**

**2015 \$3.0 billion**  
**2014 \$1.5 billion**  
**2013 \$0.4 billion**



## Appendices

# Appendix 1

## Income and expenditure summary

**KiwiSaver schemes in force as at 31 March 2015**

	<b>Default</b>	<b>Active</b>	<b>Total</b>
<b>Opening balance of scheme assets at start of annual return year</b>	<b>3,659,076,396</b>	<b>17,744,469,597</b>	<b>21,403,545,993</b>
<b>Categories of income for annual return year</b>			
Member contributions at section 64 contribution rate	450,479,581	1,931,852,598	2,382,332,179
Employer contributions	295,401,250	1,171,208,675	1,466,609,925
Crown contributions (section 226) and fee subsidies	183,978,308	742,812,985	926,791,292
Transfers of members' accumulations into scheme from other KiwiSaver schemes	24,202,222	2,353,237,989	2,377,440,211
Transfers of members' accumulations into scheme from registered superannuation schemes	5,027,674	149,387,661	154,415,334
Transfers of members' accumulations into scheme from Australian superannuation schemes	4,428,872	73,564,773	77,993,645
Lump sum contributions	6,599,531	268,759,962	275,359,493
Other voluntary contributions over section 64 contribution rate	5,403,378	132,002,657	137,406,035
Income from investment of scheme assets	361,524,989	2,656,227,536	3,017,752,525
Other income	2,760,025	16,721,136	19,481,160
<b>Total income from annual return year</b>	<b>1,339,805,828</b>	<b>9,495,775,971</b>	<b>10,835,581,799</b>
<b>Categories of expenditure for annual return year</b>			
First-home purchase withdrawals	25,317,342	188,455,245	213,772,587
Mortgage diversion withdrawals	7,620	261,623	269,243
KiwiSaver end payment date withdrawals	47,525,950	374,388,821	421,914,771
Withdrawals on death	3,614,676	25,305,037	28,919,713
Serious illness withdrawals	3,046,413	16,246,842	19,293,255
Withdrawals or transfers on permanent emigration	3,166,648	12,059,767	15,226,415
Significant financial hardship withdrawals	6,091,885	36,825,176	42,917,060
Transfer of members' accumulations out of scheme into other KiwiSaver schemes	756,516,352	1,764,712,719	2,521,229,071
Transfer of members' accumulations out of scheme into Australian superannuation schemes	107,382	994,230	1,101,613
Amounts required to be paid under other enactments	56,569	1,830,680	1,887,249
Invalid enrolments	4,365,644	2,044,419	6,410,063
Administration fees	15,283,184	58,252,246	73,535,430
Investment management fees	17,309,478	154,691,935	172,001,413
Trustee fees	812,422	4,901,481	5,713,903
Taxation	48,618,809	174,047,956	222,666,765
Other scheme expenses	357,409	17,364,726	17,722,134
<b>Total expenditure for annual return year</b>	<b>932,197,783</b>	<b>2,832,382,903</b>	<b>3,764,580,686</b>
<b>Closing balance of scheme assets at end of annual return year</b>	<b>4,066,684,441</b>	<b>24,407,862,666</b>	<b>28,474,547,106</b>

Note:

1. The statistical returns are unaudited and may not include all transactions.
2. Some providers currently have an inability to differentiate between types of transfers, therefore there are discrepancies in transfers to and transfers from KiwiSaver schemes.

3. In the current year 14,584 members withdrew for the purposes of first-home purchase (46,149 members since inception).
4. In the current year 8,911 members withdrew funds due to significant hardship (41,980 members since inception).

## Appendix 2

# Membership summary

**KiwiSaver schemes in force as at 31 March 2015**

	<b>Default members</b>	<b>Active</b>	<b>Total</b>
<b>Number of contributing members at start of annual return year</b>	<b>256,787</b>	<b>1,020,630</b>	<b>1,277,417</b>
<b>Categories of entries of members for annual return year</b>			
New members (other than transfers from other schemes)	73,825	171,857	245,682
Members restarting contributions at end of section 104 contribution holidays	5,955	14,870	20,825
Members restarting contributions after stopping contributions for any other reason	30,697	188,076	218,773
Members transferring into scheme from other KiwiSaver schemes	1,385	237,450	238,835
Members transferring into scheme from Australian superannuation schemes	26	926	952
Members transferring into scheme from registered superannuation schemes	22	906	928
<b>Total member entries for annual return year</b>	<b>111,910</b>	<b>614,085</b>	<b>725,995</b>
<b>Categories of membership exits for annual return year</b>			
KiwiSaver end payment date exits	2,398	17,747	20,145
Deaths	519	2,154	2,673
Permanent emigration exits	321	1,045	1,366
Transfers out of scheme into other KiwiSaver schemes	76,513	188,731	265,244
Transfers out of scheme into Australian superannuation schemes	13	42	55
Other permanent exits	230	1,866	2,096
Invalid enrolments	2,823	839	3,662
Members starting section 104 contribution holidays	7,401	23,820	31,221
Member stopping contributions for other reasons	36,677	210,899	247,576
<b>Total temporary and permanent exits for annual return year</b>	<b>126,895</b>	<b>447,143</b>	<b>574,038</b>
<b>Number of contributing members at end of annual return year</b>	<b>241,802</b>	<b>1,187,572</b>	<b>1,429,374</b>

	<b>Default members</b>	<b>Active</b>	<b>Total</b>
<b>Non-contributing members on section 104 contribution holidays</b>			
Number of members on section 104 contribution holidays at start of annual return year	31,534	60,269	91,803
Members starting section 104 contribution holidays	7,401	23,820	31,221
Members ending section 104 contribution holidays and restarting contributions	5,955	14,870	20,825
Members ending section 104 contribution holidays but not restarting contributions for any reason	3,623	5,254	8,877
<b>Number of members on section 104 contribution holidays at end of annual return year</b>	<b>29,357</b>	<b>63,965</b>	<b>93,322</b>
<b>Other non-contributing members (not on section 104 contribution holidays)</b>			
Number of other non-contributing members (not on section 104 contribution holidays) at start of annual return year	173,033	755,587	928,620
Members stopping contributions without section 104 contribution holidays	40,300	216,151	256,451
Members restarting contributions after having stopped contributions without section 104 contribution holidays	30,697	188,076	218,773
<b>Number of other non-contributing members (not on section 104 contribution holidays) at end of annual return year</b>	<b>182,636</b>	<b>783,662</b>	<b>966,298</b>
<b>Total number of members at end of annual return year</b>	<b>453,795</b>	<b>2,035,199</b>	<b>2,488,994</b>

Note:

- Some providers currently have an inability to differentiate between types of transfers, therefore there are discrepancies in transfers to and transfers from KiwiSaver schemes. There are also timing differences.

## Appendix 3

# Age and gender profile of members

KiwiSaver schemes in force as at 31 March 2015

Age at end of annual return year	Default members			
	Female	Male	Unknown gender	Total default members
17 and under	3,441	3,299	259	6,999
18-25	37,836	43,030	1,329	82,195
26-30	31,620	34,131	452	66,203
31-35	26,341	28,390	378	55,109
36-40	23,445	23,844	318	47,607
41-45	25,043	23,873	286	49,202
46-50	22,979	20,949	283	44,211
51-55	21,134	18,608	249	39,991
56-60	16,248	14,311	172	30,731
61-65	10,888	10,368	104	21,360
66-70	4,046	4,138	11	8,195
71-75	409	468	4	881
Unknown age	494	595	22	1,111
<b>Totals</b>	<b>223,924</b>	<b>226,004</b>	<b>3,867</b>	<b>453,795</b>

Age at end of annual return year	Active members			
	Female	Male	Unknown gender	Total active members
17 and under	173,038	174,693	1,215	348,946
18-25	160,358	161,512	425	322,295
26-30	98,605	98,275	185	197,065
31-35	84,909	81,877	190	166,976
36-40	78,025	73,869	209	152,103
41-45	86,217	79,272	201	165,690
46-50	84,845	78,795	188	163,828
51-55	86,597	80,350	188	167,135
56-60	76,609	71,920	166	148,695
61-65	67,026	63,993	170	131,189
66-70	30,956	31,174	125	62,255
71-75	4,147	4,415	35	8,597
Unknown age	107	155	163	425
<b>Totals</b>	<b>1,031,439</b>	<b>1,000,300</b>	<b>3,460</b>	<b>2,035,199</b>

Age at end of annual return year				Total members
	Female	Male	Unknown gender	Total members
17 and under	176,479	177,992	1,474	355,945
18-25	198,194	204,542	1,754	404,490
26-30	130,225	132,406	637	263,268
31-35	111,250	110,267	568	222,085
36-40	101,470	97,713	527	199,710
41-45	111,260	103,145	487	214,892
46-50	107,824	99,744	471	208,039
51-55	107,731	98,958	437	207,126
56-60	92,857	86,231	338	179,426
61-65	77,914	74,361	274	152,549
66-70	35,002	35,312	136	70,450
71-75	4,556	4,883	39	9,478
Unknown age	601	750	185	1,536
<b>Totals</b>	<b>1,255,363</b>	<b>1,226,304</b>	<b>7,327</b>	<b>2,488,994</b>

## Appendix 4

### Profile of new default and other members

KiwiSaver schemes in force as at 31 March 2015

	Number of members	Scheme assets held for those members (\$)
Default members allocated to scheme by commissioner under section 51 in annual return year	75,088	170,320,384
Other new members entering scheme in annual return year (including transfers from other schemes and active choice members)	253,136	1,759,295,517

Note:

1. Some providers have included members who have since opted out, while others have not.

## Appendix 5

# Summary of non-contributing members (not on section 104 contribution holidays)

### KiwiSaver schemes in force as at 31 March 2015

	Number of default members	Scheme assets held for those members (\$)	Number of active members	Scheme assets held for those members (\$)
Number of non-contributing members (not on section 104 contribution holidays) at start of annual return year	173,033	749,637,843	755,490	2,883,813,249
Number of non-contributing members (not on section 104 contribution holidays) at end of annual return year	182,636	886,735,402	783,662	3,800,106,068

Note:

1. A non-contributing member is a member for whom no contributions have been received in the previous two months or, if the member does not contribute via the IRD, the member has failed to meet their contracted contribution frequency.

## Appendix 6

# Investment fund summary

### KiwiSaver schemes in force as at 31 March 2015

Investment funds	Number of members in each investment fund	Amount in each investment fund (\$)
<b>Default</b>	<b>453,731</b>	<b>4,066,684,441</b>
<b>Totals</b>	<b>453,731</b>	<b>4,066,684,441</b>
Active default	237,282	2,092,815,496
Conservative	600,024	5,351,818,937
Balanced	525,846	6,972,726,979
Growth	816,891	8,056,841,145
Single sector funds		
<i>Cash</i>	642,763	1,099,589,443
<i>Shares</i>	54,395	354,643,318
<i>Fixed interest</i>	28,113	135,702,809
<i>Property</i>	6,241	35,101,361
<i>Socially responsible</i>	7,193	52,737,619
<i>Other</i>	26,426	255,885,564
<b>Totals</b>	<b>2,945,174</b>	<b>24,407,862,670</b>

Note:

1. The statistical returns are unaudited and may not include all transactions.
2. Some members will be invested in more than one investment fund.

## Appendix 7

# Switches out of default investment product into other investment funds

**KiwiSaver schemes in force as at 31 March 2015**

Switches in annual return year	Number of members out of default investment product	Number of members into others	Amount (\$) out of default investment product	Amount (\$) into others
<b>Switches out of default investment product under instrument of appointment</b>	26,392	395,231,699		
<b>Switches into other investment funds</b>				
Conservative	9,108		165,719,365	
Balanced	10,209		135,608,797	
Growth	9,135		85,856,298	
Single sector funds				
<i>Cash</i>	561		4,811,641	
<i>Shares</i>	865		2,991,253	
<i>Fixed interest</i>	1		1,415	
<i>Property</i>	0		0	
<i>Other</i>	168		243,051	
<b>Total of switches into other investment funds</b>	<b>26,392</b>	<b>30,047</b>	<b>395,231,699</b>	<b>395,231,819</b>

# Switches between investment funds

**KiwiSaver schemes in force as at 31 March 2015**

		<b>Switches into investment funds in annual return year</b>		<b>Switches out of investment funds in annual return year</b>	
<b>Investment funds</b>	<b>Number of switches</b>	<b>Amount (\$)</b>	<b>Number of switches</b>	<b>Amount (\$)</b>	<b>Net change in amounts (\$)</b>
Active default	4,752	70,829,715	9,522	114,257,384	-43,427,669
Conservative	11,617	174,229,245	19,162	230,681,595	-56,452,349
Balanced	25,739	352,277,511	21,421	284,591,039	67,686,472
Growth	26,085	262,640,335	18,997	249,562,792	13,077,543
<b>Single sector funds</b>					
<i>Cash</i>	6,450	78,394,982	4,932	56,324,766	22,070,216
<i>Shares</i>	4,899	25,326,603	4,216	22,195,854	3,130,749
<i>Fixed interest</i>	568	3,419,718	703	8,075,222	-4,655,505
<i>Property</i>	805	2,828,413	1,529	4,091,147	-1,262,734
<i>Socially responsible</i>	228	1,844,715	322	3,327,588	-1,482,873
<i>Other</i>	286	3,619,507	228	2,552,239	1,067,268
<b>Total of switches between funds</b>	<b>81,429</b>	<b>975,410,743</b>	<b>81,032</b>	<b>975,659,626</b>	<b>-248,882</b>

## Appendix 8

# Profile of switches between investment funds

**KiwiSaver schemes in force as at 31 March 2015**

How many switches between investment funds made in annual return year		Default	Number of members who made those switches
			Active
1 switch		26,355	62,509
2 switches			2,991
3 switches			600
4 switches			204
5 switches or more			263

## Appendix 9

# Analysis according to size of scheme assets

**KiwiSaver schemes in force as at 31 March 2015**

Assets grouping	Number of schemes 2015	Total assets 2015 \$M	Total membership 2015
Under \$2m	4	5.2	660
\$2m to under \$10m	8	42.4	2,124
\$10m to under \$25m	-	-	-
\$25m to under \$50m	3	106.5	5,405
\$50m to under \$100m	3	189.1	15,257
\$100m to under \$200m	5	665.8	36,152
\$200m to under \$1,000m	6	2,930.7	236,776
\$1,000m and over	10	24,534.9	2,192,620
<b>Total</b>	<b>39</b>	<b>28,474.6</b>	<b>2,488,994</b>

Note:

1. The data has been obtained from statistical returns made by the trustees of KiwiSaver schemes registered under the KiwiSaver Act 2006.
2. Some totals may not add exactly, due to rounding.

## Appendix 10

# Analysis by nature of scheme

**KiwiSaver schemes in force as at 31 March 2015**

Nature of scheme	Number of schemes 2015	Total assets 2015 \$M	Total membership 2015
Default schemes (nine)		4,067	453,795
Retail (active choice)	27	23,802	2,010,659
Restricted schemes	12	606	24,540
<b>Total</b>	<b>39</b>	<b>28,475</b>	<b>2,488,994</b>

Note:

1. Default schemes statistics are only in respect of members and assets in the default investment fund option
2. Retail (active choice) total assets and total membership figures include that portion of the default schemes where members have actively chosen to participate.
3. The data has been obtained from statistical returns made by the trustees of KiwiSaver schemes registered under the KiwiSaver Act 2006 to the members and beneficiaries of those schemes.
4. Some totals may not add exactly, due to rounding.

## Appendix 11

# Analysis according to nature of scheme and size of scheme assets

**KiwiSaver schemes in force as at 31 March 2015**

NUMBER OF SCHEMES			
Assets grouping	Retail (see note 1)	Restricted schemes	Total
Under \$10m	3	9	12
\$10m to under \$50m	2	1	3
\$50m to under \$100m	3	-	3
\$100m to under \$200m	4	1	5
\$200m to under \$1,000m	5	1	6
\$1,000m and over	10	-	10
<b>Total, all groups</b>	<b>27</b>	<b>12</b>	<b>39</b>

<b>TOTAL ASSETS (\$ millions)</b>				
<b>Assets grouping</b>	<b>Default</b>	<b>Retail</b>	<b>Restricted schemes</b>	<b>Total</b>
Under \$10m	7.05	8.22	39.36	54.63
\$10m to under \$50m	35.68	79.67	26.84	142.19
\$50m to under \$100m	-	189.09	-	189.09
\$100m to under \$200m	-	514.27	151.30	665.57
\$200m to under \$1,000m	2,928.41	3,976.01	388.27	7,292.69
\$1,000m and over	1,095.55	19,034.63	-	20,130.18
<b>Total, all groups</b>	<b>4,066.69</b>	<b>23,801.89</b>	<b>605.77</b>	<b>28,474.35</b>

<b>TOTAL MEMBERSHIP</b>				
<b>Assets grouping</b>	<b>Default</b>	<b>Retail</b>	<b>Restricted schemes</b>	<b>Total</b>
Under \$10m	2,849	1,027	1,757	5,633
\$10m to under \$50m	13,975	3,851	1,554	19,380
\$50m to under \$100m	-	15,257	-	15,257
\$100m to under \$200m	-	28,709	7,443	36,152
\$200m to under \$1,000m	311,023	290,759	13,786	615,568
\$1,000m and over	125,948	1,671,056	-	1,797,004
<b>Total, all groups</b>	<b>453,795</b>	<b>2,010,659</b>	<b>24,540</b>	<b>2,488,994</b>

Note:

1. Default schemes are included.
2. Default scheme statistics are only in respect of members and assets in the default investment fund option.
3. Retail schemes' total assets and total membership figures include the portion of the default schemes where members have actively chosen to participate.
4. The data has been obtained from statistical returns made by the trustees of KiwiSaver schemes registered under the KiwiSaver Act 2006 relating to the members and beneficiaries of those schemes.
5. Some totals may not add exactly, due to rounding.

# Glossary

<b>Active</b>	A scheme or fund a member has chosen to join.
<b>Complying superannuation funds</b>	A registered superannuation scheme whose rules effectively mirror the rules for KiwiSaver schemes as specified in Schedule 28 of the <i>Income Tax Act 2007</i> . A register of complying superannuation funds is published on the FMA website.
<b>Default schemes</b>	Schemes in which members are automatically enrolled if they don't choose their own scheme. There are currently nine default schemes (AMP, ANZ Default, ASB, BNZ, Grosvenor, Kiwi Wealth, Mercer, Fisher Funds TWO and Westpac).
<b>Employer-preferred schemes</b>	An employer can notify the Commissioner of Inland Revenue that it has chosen a preferred KiwiSaver scheme in which all of its eligible employees will be automatically enrolled unless they choose to join another scheme.
<b>Exempt employers</b>	Employers approved by the FMA as not having to automatically enrol new employees in KiwiSaver. A register of exempt employers is published on the FMA website.
<b>FMC Act</b>	The <i>Financial Markets Conduct Act 2013</i>
<b>Registered schemes</b>	Schemes defined under the <i>Superannuation Schemes Act 1989</i> or registered under the <i>Financial Markets Conduct Act 2013</i> .
<b>Restricted schemes</b>	KiwiSaver schemes that are only open to specific groups of people employed in the same company or industry, or another defined group, and may include immediate family members or dependents.
<b>Retail schemes</b>	KiwiSaver schemes that are open to members of the public.
<b>Standard contributions</b>	Contributions defined in section 64 of the <i>KiwiSaver Act 2006</i> .
<b>Non-contributors</b>	Members who have not made a contribution in the previous two months or, if they do not contribute via the IRD, they have failed to make their contracted payments.

