

COVID-19: KiwiSaver significant financial hardship applications – alternative steps to verify identity and financial circumstances

A person applying for a significant hardship withdrawal can complete a statutory declaration via an audiovisual link with an authorised witness (such as a lawyer). However, given the [COVID-19 Alert Level 3 and 4 restrictions](#), the FMA considers supervisors can, at their discretion, accept applications that take alternative steps to verify an applicant's identity and financial circumstances.

Verification of identity and financial circumstances for significant financial hardship applications is an important step, as it protects against applications made by fraud or where an applicant is under duress. We think it is important to take what steps can be taken to verify the identity and financial circumstances of an applicant. For that reason, we want providers to work with potential applicants to first point out other options that might be preferable to a significant financial hardship withdrawal, but to proceed where providers are comfortable they know the identity of the applicant and the facts of their financial circumstances.

During the Alert Level 3 and 4 restrictions, supervisors should be comfortable dealing with a significant financial hardship application where the following steps have been taken:

1. If possible, have the applicant complete a statutory declaration as usual, and ask them to have this witnessed by audiovisual link (contacting a suitable witness by FaceTime, WhatsApp, Skype, or Zoom, for instance). The [Law Society has published advice](#) on this together with a form (and the Ministry of Justice has more recently developed guidance). Providers could contact law firms to identify lawyers willing to witness the declarations, or providers could make their own in-house or external lawyers available.
2. If the provider has confirmed that the applicant does not have access to a smartphone or computer with internet that can be used for audiovisual communication and an authorised witness, or if the provider has confirmed with the applicant that audiovisual witnessing is not practicable in the circumstances for some other reason, the application should still be progressed, taking the best alternative steps to verify the identity and financial circumstances of the applicant.
3. The provider has used a best alternative in the circumstances to verify the identity of the applicant. For instance, where an applicant is a banking customer of a provider, there are likely to be identity verification procedures already established for the customer. Other providers may seek other evidence of identity such as bank statements or utility bills.
4. (a) The application includes information and relevant evidence of the applicant's assets and liabilities consistent with the level of detail set out in TCA's simplified COVID-19 application form and TCA's *COVID-19 assessment and preparation guidelines*.

- It is understood that as a result of self-isolation, illness or the Alert Level 3 and 4 restrictions, some information may not be available. To the extent that it is practicable and within the Level 3 and 4 restrictions, application forms and evidence such as bank statements can be posted, couriered, or photos or scanned copies of documents can be emailed.
- It may be appropriate for an applicant who is self-isolating to arrange for a contactless courier to pick up application forms and evidence and deliver it to the provider, if the applicant is unable to scan or take a photo of documents to send by email.
- If absolutely necessary, the information and evidence of assets and liabilities may be given to the provider over the phone if the provider has confirmed with the applicant that it is really not practicable to send it to the provider in one of the ways noted above.

- (b) The provider has confirmed that the applicant has explored and exhausted government support and assistance from the applicant's bank.

The information and evidence in 4(a) and (b) is necessary to enable the supervisor to assess whether the significant financial hardship grounds in the KiwiSaver scheme rules are met and how much to withdraw in accordance with TCA's *COVID-19 assessment and preparation guidelines*.

5. The provider must confirm with the applicant that the funds will be paid into the applicant's own bank account.

6. The provider should follow up with the applicant after the Level 4 lockdown to confirm the payment was received, and check in on their financial circumstances and general KiwiSaver settings (such as contribution rate).

Supervisors and providers should be comfortable using this process during the COVID-19 Level 3 and 4 restrictions where other provisions of the KiwiSaver scheme rules require a statutory declaration. Hardship claims for Restricted KiwiSaver Schemes and Complying Superannuation Funds may also look to this process during the COVID-19 Level 3 and 4 restrictions.

The FMA considers that this guidance issued on 3 April and updated on 17 April is now supported by the temporary Epidemic Preparedness (Oaths and Declarations Act 1957) Immediate Modification Order 2020. The Order, which came into force on 17 April, removes any doubt about the ability to take statutory declarations via audiovisual link and enables statutory declarations over audio link. It also enables the entity receiving the statutory declaration to authorise its officers or employees to take a declaration, including via audiovisual link and audio link.

The Ministry of Justice has developed guidance (expected to be available here) on the procedure for taking declarations under the Order. The person taking the declaration needs to take steps to verify the particulars of the person giving the declaration and check their understanding and the truth of the content of the declaration. Given the similarities in procedure for checking identity as well as the need for evidence of financial circumstances for significant financial hardship applications, the FMA considers supervisors and providers should continue to be comfortable in following the steps above.

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