



# Findings and Recommendations

## Parliamentary Working Group

### Retirement income policy for the next 25 years

Retirement Commission

# Members of the PWG



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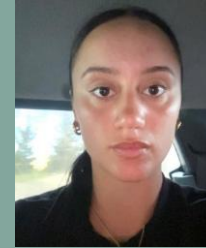
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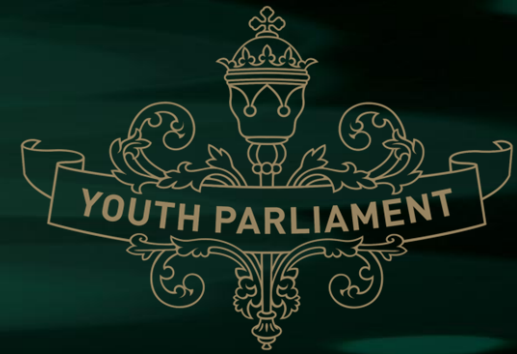


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# Inquiry Topic

*How can future governments approach retirement income policy given population ageing and other important changes expected to take place over the next 25 years. The main retirement income policies in Aotearoa New Zealand are NZ Super and KiwiSaver.*

## **The PWG considered**

- How can Aotearoa New Zealand be expected to change over the next 25 years?
- What could these changes mean for how we support retirement?
- What are some innovative ideas for ensuring everyone has a chance at a good retirement?

# Key findings and insights



Based on community engagement and discussions here at Parliament, the PWG has identified several key findings and insights:

Māori, Pasifika, and low-income groups face lower life expectancy and higher mortality, especially among under 50's. These minority groups are significantly affected by changes to the retirement age.

Retirement at 65 is deeply embedded in public expectations. This must be acknowledged when changes are considered.

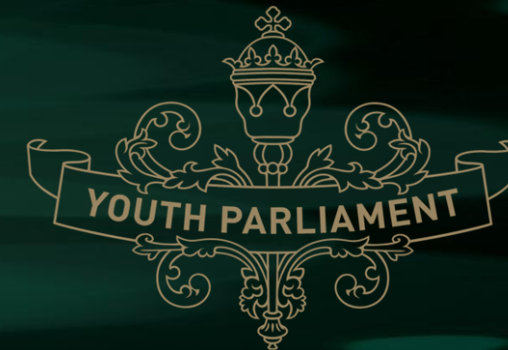
Wealthy Kiwis do not need Super. Other benefits are not given to wealthy people. No Super for the wealthy is not a punishment; it allows greater investments to be made.

Increasing the pension age based on life expectancy often obscures the fact that just since someone lives longer, doesn't mean they are as able as they were previously.

Current super rates are generous compared to the rest of the world. The framework through which super rates are increased must be retained.

Youth will have less money in their retirement funds due to increasing house prices.

# KEY FINDINGS



## Māori and Pasifika inequality

- There is currently a 7 year age gap between Māori and Pākeha life expectancy.
- Increasing the retirement age without addressing this is unfair, unjust, and unequal.
- This gap must be remedied. The 2% of GDP over 15 years (\$8b NZD) would be reinvested into health and equity-based programs. This is not special treatment, it is needs-based investing.

## Changes must be carefully considered

- The age of 65 is expected by society..
- Decisions must be fully justified with a plan and clear communication.
- This issue must be treated with compassion. People's lives are being tinkered with, and that cannot be forgotten.

## Ensuring the wealthy do not receive NZSuper

- This will save money, and allow for re prioritising funds for where they are more needed.
- This reaffirms the government's actions of means testing the contributions made to menas test the government kiwisaver contributions.



# Recommendations



From the PWG's findings, the following recommendations should be considered to support the future of retirement income:

One	<b>Raising the retirement age to a range of 67 – 68</b> - with the condition of using a portion of savings on need-based policies that contribute to better healthcare outcomes for people in low socioeconomic backgrounds.
Two	<b>Income testing</b> – depending on your income, you will receive superannuation in relation to your income. Based on tax brackets.
Three	<b>Reversing the halving of the government contribution</b> - around \$30,000 dollars more will be put into people's kiwisavers by reversing this decision. Maintain government change of income testing government contributions.