

# KiwiSaver transfers to First Super



## The Trans-Tasman Retirement Savings Portability Scheme for individuals

Since 1 July 2013, people have had the option of transferring retirement savings between Australia and New Zealand after emigrating from one country to the other under the Trans-Tasman Retirement Savings Portability Scheme.

The portability arrangements allow a person who has retirement savings in both Australia and New Zealand to consolidate their savings into one account in their current country of residence.

### Transferring your KiwiSaver savings to First Super

If you have moved to live permanently in Australia, or are planning to do so, you have the option to combine your KiwiSaver scheme savings into your Australian super account.

First Super is one of the few Australian super funds that can accept a transfer of KiwiSaver scheme savings. We can accept both your KiwiSaver scheme transfer to your First Super account AND your Super Guarantee contributions from your Australian employer.

#### First Super does not charge a fee for accepting your KiwiSaver savings into your First Super account.

However, like all superannuation funds in Australia, we do charge fees for managing your super account.

First Super is run to benefit members. We're committed to keeping fees competitive, as lower fees and strong investment performance adds up over time to make a big difference to your super balance. Our fee structure applies to both super and pension accounts.

Under current rules relating to KiwiSaver transfers, you may only transfer retirement savings between a complying super fund regulated by the Australian Prudential Regulation Authority (APRA) and a New Zealand KiwiSaver scheme. First Super is a complying super fund.

#### Important

Once you have transferred the funds to a complying Australian fund, you may only move the KiwiSaver portion to another fund that accepts KiwiSaver transfers.

#### To transfer your KiwiSaver scheme savings across to First Super, you need to:

- Be or become a First Super member\*
- Have an Australian Tax File Number (TFN)<sup>†</sup>
- Have left New Zealand and be permanently living in Australia
- Contact us to obtain a KiwiSaver Acceptance Letter. Then contact your KiwiSaver fund to obtain a 'Trans-Tasman Portability Approval' form and check on any other of its requirements for transferring to an Australian complying super fund (your First Super account)
- Send the completed documents to your KiwiSaver fund for processing
- Transfer the full balance of your KiwiSaver scheme account

\*If you're not a First Super member already, you will need to join First Super to get your member number before starting the transfer. You can start the joining process through our website – [firstsuper.com.au/join](https://firstsuper.com.au/join) – or call our Member Services Team on **1300 360 988**.

<sup>†</sup>If you don't have an Australian Tax File Number yet, you can apply for one from the Australian Taxation Office (ATO) at [iar.ato.gov.au](https://iar.ato.gov.au) or phone **13 28 61**.

#### When the transfer is completed

Once First Super receives your 'Trans-Tasman Portability Approval' form and the transfer of your KiwiSaver scheme savings is completed, we will send you a letter to confirm:

- that we received the roll-in,
- the date we received the funds
- the total funds received from your KiwiSaver account.

## Other rules for KiwiSaver transfers to Australia

### Limits to how much you can transfer

You must transfer the entire balance of your KiwiSaver account when you transfer to an Australian fund. However, under current rules, if your total Australian super balance is above \$1.9 million, you won't be able to transfer your KiwiSaver balance to Australia.

Provided your balance is below that amount, the limit on how much you can transfer from a KiwiSaver scheme to an Australian super fund depends on your non-concessional contributions cap. This is also known as an after tax contribution. This is currently \$110,000 for the 2023/24 year or \$330,000 over three years using the bring-forward rule. You can make non-concessional contributions if you are aged under 75.

First Super must treat your contributions as non-concessional (personal) contributions, so they will be subject to the above cap.

If you exceed the cap, you may have to pay excess contributions tax.

### Rules for transferred KiwiSaver amounts

Once your KiwiSaver scheme savings are transferred to your Australian super fund, they will be subject to the following rules:

- You can only transfer the KiwiSaver amount in your First Super account into another superannuation fund in Australia if they accept KiwiSaver transfers. Currently, there are a small number of Australian funds that accept KiwiSaver amounts, either directly from a New Zealand KiwiSaver scheme or from another Australian superannuation fund.
- You cannot transfer the KiwiSaver part of your First Super account into a self-managed superannuation fund (SMSF), or into a fund in another country.
- Under current New Zealand government regulations, you can access the KiwiSaver part of your account when you reach the age of 65. This applies whether if you remain a First Super member, or transfer your KiwiSaver portion of your account to another Australian superannuation fund.

## How can I check what my KiwiSaver amount is in future?

We will record the KiwiSaver amount you transfer from New Zealand as the "KiwiSaver component" of your First Super account in our system. Your transfer paperwork will confirm the KiwiSaver amount, and you can also contact us at any time to check your KiwiSaver component.

If you transfer your benefit to an Australian superannuation fund which accepts KiwiSaver amounts, we will tell your new fund the value of your KiwiSaver component. This will be reported separately to the part of your benefit made up of contributions and investment earnings originating in Australia. The receiving fund will also record the KiwiSaver component of your account in their administration system.

## Accessing your retirement savings in Australia

The retirement savings you transfer to Australia from New Zealand are held in your super account in two parts:

- the New Zealand-sourced component
- the Australian-sourced component.

To access the Australian-sourced component, you will need to meet one of the 'conditions of release'.

The most common conditions of release are if you:

- have reached your preservation age and retire
- have reached your preservation age and begin a transition-to-retirement income stream
- finish employment on or after the age of 60
- are 65 years of age (even if you haven't retired).

As stated above, to access the New Zealand-sourced component of your super account, you will need to reach the New Zealand age of retirement (currently 65).

Any investment earnings on these KiwiSaver funds, plus the contributions made while in Australia, will be subject to all Australian rules regarding access to your super savings.

The way in which you can access your super depends on whether or not you retire when you reach preservation age. If you retire, you have full access to your super. If you don't retire at preservation age, you can access your super in the form of a Transition to Retirement Pension.

You will have full access to your super account when you reach the age of 65, regardless of whether or not you are still working.

### What is 'preservation age'?

You can access your super when you reach your preservation age, which varies depending on when you were born.

Date of birth	Preservation age
1 July 1963 to 30 June 1964	59
From 1 July 1964	60

## Income tax and KiwiSaver transfers

A transfer from a New Zealand KiwiSaver scheme to a participating Australian super fund is not taxed. You can also withdraw the funds tax-free from your super account once you're legally allowed to access them.

Any savings you transfer to an Australian super fund are not tax deductible as a personal contribution.

Transfers are not eligible personal contributions for the purpose of receiving the super co-contribution for low-income earners.

Transfers are also not eligible for a spouse contribution tax offset.

## KiwiSaver funds and the First Home Super Saver Scheme (FHSS)

Some KiwiSaver amounts may be eligible contributions that can be counted as part of a FHSS release. For more information see the Australian Taxation Office's (ATO) Guidance Note 2018/19 First home super saver scheme and read our webpage on this topic at [firstsuper.com.au/kiwisaver-fhss](https://firstsuper.com.au/kiwisaver-fhss).

Ultimately, the decision about whether your KiwiSaver savings are eligible for the FHSS Scheme rests with the ATO. **First Super isn't able to make this decision or provide any advice as to whether or not you can access the FHSS Scheme with money transferred from a KiwiSaver scheme.**

## If you leave your New Zealand savings in your KiwiSaver scheme

When you move to Australia, you can leave your New Zealand retirement savings in your KiwiSaver scheme. Transferring your KiwiSaver account to an Australian super fund is totally up to you.

However, any contributions you make to your KiwiSaver account while living in Australia will not be eligible for member tax credits in New Zealand.

## If you move back to New Zealand

If you move back permanently to New Zealand, you can transfer your retirement savings back to New Zealand too. There are no limits to how much you can transfer from an Australian super fund to a New Zealand KiwiSaver scheme. However, you must transfer the whole balance of your Australian super fund account.

You will need a New Zealand Inland Revenue Department (IRD) number to transfer your retirement savings to a KiwiSaver scheme.

Check with your fund and KiwiSaver scheme to see if they will charge any fees for transferring or accepting funds on your behalf.

To transfer funds from your Australian super fund to a KiwiSaver scheme, you must:

- have permanently emigrated to New Zealand – you need to sign a statutory declaration stating this is the case, and provide proof of residence at an address in New Zealand\*
- request the whole balance of your super savings be transferred to a KiwiSaver scheme
- have a KiwiSaver scheme ready to receive the transferred funds and ensured the KiwiSaver scheme is going to accept your Australian transfer.

\*You can use a statutory declaration, declared and witnessed in New Zealand, to prove you have permanently emigrated to New Zealand.

### Transfer checklist

**For First Super to roll out your account balance to KiwiSaver scheme, we need all of the following to complete your request.**

- Your original application requesting the transfer of balance to your KiwiSaver scheme
- Certified copies of two forms of identification (e.g. drivers licence, passport, etc.)
- Formal proof of residency in New Zealand (e.g. a statutory declaration confirming your address, a rates notice, tax assessment notice, or social security notice)
- The name of your KiwiSaver scheme and a compliance letter stating it is a registered KiwiSaver product and can accept the funds transfer
- The postal address of the KiwiSaver scheme and its registration number
- Your Inland Revenue Department Number
- Your KiwiSaver account number.

After we receive all of the above documents and information, we can go ahead with processing your request.

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## Rules for transfers to New Zealand

Once your Australian super fund savings are transferred to your KiwiSaver scheme, they are generally subject to New Zealand's retirement savings rules.

Some rules apply only to money transferred from an Australian super fund to a KiwiSaver scheme, for example it:

- can only be transferred from complying super funds regulated by APRA
- can't be used to purchase your first home
- can't be moved to a third country
- can be accessed when the member reaches 60 years old and satisfies the Australian definition of retirement.

## Accessing your retirement savings in New Zealand

Retirement savings you transfer to New Zealand from Australia are held in your KiwiSaver in two parts:

- the Australian-sourced component
- the New Zealand-sourced component.

To access the Australian-sourced component, generally you will need to be 60 years old and satisfy the Australian definition of retirement. (See 'What is preservation age?' above.)

To access the New Zealand-sourced component, you will need to reach the New Zealand age of retirement (currently 65 years old).

## Income tax

A transfer from a participating Australian super fund to a New Zealand KiwiSaver scheme is not taxed. You can also withdraw funds tax free from your KiwiSaver scheme once you are legally allowed to access them.

## Australia to New Zealand transfer limits

There are no limits on how much you can transfer from an Australian super fund to a KiwiSaver scheme.

However, you must transfer the whole balance of your Australian fund.

## Moving back to your original country

If you move back to your original country, you can transfer your savings back too.

If you're moving back to Australia, you need to provide a statement to your Australian super fund showing which components of your savings (Australian or New Zealand) were previously counted toward the Australian non-concessional contributions cap.

The statement also needs to show the different components (such as tax-free and taxable) of your retirement savings, so they retain that status when transferred back to Australia.

If you don't provide this statement, all your savings will be counted towards the non-concessional contributions cap and you may have to pay excess contributions tax. Also, all the components of your Australian-sourced savings will become taxable and you may be liable for additional tax.

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## We're here to help, so let's talk

If you would like to discuss a KiwiSaver transfer, or have any other questions about your super, please contact our Member Services Team today



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The material contained in this bulletin is accurate and reliable as at November 2023.

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