

# Kiwis can bring retirement funds home

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New Zealanders living in Australia will be able to bring their retirement savings home with them from next July after the Australian Government passed new laws allowing the funds to be transferred into KiwiSaver accounts.

The legislation passed last night aims will help about 480,000 New Zealanders living in Australia, as well as Australians living in New Zealand, who currently cannot take their retirement savings with them if they move home.

Finance Minister Bill English said it was the next step in creating a single economic market between the two countries by freeing up the movement of labour across the Tasman.

New Zealanders living in Australia must contribute to its compulsory superannuation fund.

But to bring their savings home, they will have to be transferred into KiwiSaver funds.

The deal follows an agreement signed between English and Australian Treasurer Wayne Swan in July 2009.

New Zealand passed similar legislation in September 2010.

The Australia's Tax Office has estimated it holds about \$A13 billion (\$NZ16.6 billion) in "lost accounts" in the Australian superannuation system.

"We expect that much of this money could belong to New Zealanders who have returned home and these new rules will allow these funds to be brought back to New Zealand," English said.

Under the new law, savings will be exempt from entry and exit taxes they are currently subjected to as a taxable dividend, he said.

KiwiSaver members moving from New Zealand to Australia will be able to keep any member tax credits if they transfer to an Australian scheme.

They will not be able to withdraw money transferred from Australia to help them buy their first home, but will be able to use interest earned on those savings to purchase property.

Under KiwiSaver rules, savings can be withdrawn when members reach 65 but retirements savings transferred from Australia will be able to be withdrawn when members reach the age of 60 as long as they have retired, as set out under Australian scheme rules.

KiwiSaver funds transferred to Australian schemes will only be able to be withdrawn when members reach 65, as set out in KiwiSaver rules.