



Aon\$AVER
YOUR PREFERRED KIWISAVER SCHEME



KiwiSaver in a Nutshell



Why KiwiSaver?

It's all about saving for the future – and it *will* come! By putting a small amount into a KiwiSaver account on a regular basis you will be able to watch your investment grow.

And to get you off to a flying start the crown will kick-start your savings with a payment of \$1,000. If you are employed and over 18, your employer will also contribute into your account and you can select whether to contribute 2%, 4% or 8% of your pre-tax salary.

The incentives are all there for you to start a good savings habit. ***So go on – take control of your retirement future today!***

For further information visit **www.aonsaver.co.nz**
or phone **0800 266 463**

Who is Aon?

Aon Consulting is the specialist superannuation division of Aon New Zealand. We currently administer a large portion of all corporate superannuation and KiwiSaver schemes in New Zealand.

Superannuation administration and investment consulting is our core business. Our superannuation administration is centralised in Auckland. In combining our expertise in investment consulting and superannuation administration, we have assembled in AonSaver a “best of breed” KiwiSaver offering.

AonSaver is a flexible publicly offered KiwiSaver scheme that caters for all superannuation needs. AonSaver is a unitised scheme which means funds are valued and invested on a daily basis. AonSaver is one of the very few KiwiSaver schemes that offers investment choice across a range of fund managers, thus providing diversification.



- Aon Global is a Fortune 500 Company.
- Aon New Zealand has been involved in superannuation for over 30 years.
- Aon New Zealand currently employs over 600 people, in 60 offices nationwide.





AonSaver Features

- **Independently and globally researched and monitored investment managers.**

Through this employers and employees have confidence that experts are working to ensure a best of breed approach and consistency applies to their investments all the time.

- **Wide choice of fund managers, and investment options.**

These fund managers offer diversification in terms of the funds they offer and their investment style. All the fund managers are active managers rather than passive, which should provide greater returns and increased growth of funds.

- **Employer/employee support through communication/ reporting and education.**

- **Internet access.**

- **Transparent fee structure.**



Why Join KiwiSaver?

KiwiSaver is different from other superannuation or investment schemes in that you're not the only one contributing funds - the crown and your employer also put money into your account! While your returns are not guaranteed, there is a lot of encouragement to save for your retirement. Everyone is trying to help and here is how savings accumulate:

1. Your contribution

If you are an employee, you must contribute a minimum of 2% of your gross salary or wages. Alternatively you may contribute at either 4% or 8% of your gross salary or wages. Your contributions will be deducted from your pay each payday by your employer and forwarded to the Scheme via Inland Revenue. Your employer must forward your contributions to Inland Revenue each month at the same time as it pays PAYE deductions.

Self employed and non-earners are required to contribute at least \$200 per year to their KiwiSaver account. An initial deposit of \$200 is required to open a KiwiSaver account with AonSaver. Alternatively complete a direct debit form for a contribution of at least \$20 per month.

No minimum deposit is required for children under the age of 18.





2. Crown contribution

To get your savings off to a good start the crown will:

- kickstart your KiwiSaver account with \$1,000 tax-free.

Once you're over 18 the government will pay into your account a tax credit matching the contributions you've made during the year up to \$1,042.

3. Employer contribution

Extra help will come from your employer as they will be paying 2% into your KiwiSaver account. Employer contributions of 2% of your gross pay if you are over 18 are exempt from Superannuation Contribution Tax (in other words, tax-free).

Who can join?

To be eligible to join KiwiSaver you must live or normally live in NZ, be a NZ citizen or entitled to stay in NZ indefinitely and be under the age of eligibility to receive NZ superannuation which is currently 65.

How do my contributions add up?

Annual Salary	2% weekly employee contribution	Crown kickstart	Crown tax credit	2% weekly employer contribution	Total weekly contributions to my account*	Accumulated (over 4 weeks)
\$25,000	\$9.62	\$1,000	\$9.62	\$9.62	\$48.09	\$192.36
\$30,000	\$11.54	\$1,000	\$11.54	\$11.54	\$53.85	\$215.40
\$40,000	\$15.38	\$1,000	\$15.38	\$15.38	\$65.37	\$261.48
\$50,000	\$19.23	\$1,000	\$19.23	\$19.23	\$76.92	\$307.68
\$60,000	\$23.08	\$1,000	\$20.00	\$23.08	\$85.39	\$341.56
\$70,000	\$26.92	\$1,000	\$20.00	\$26.92	\$93.07	\$372.28
\$80,000	\$30.77	\$1,000	\$20.00	\$30.77	\$100.77	\$403.08

*assuming the kick-start is paid weekly.

This information is based on contributions for first year only.



Benefits of KiwiSaver

	Employees (2%, 4% or 8%)	Self-employed (Min \$200 pa or \$20pm Direct Debit)	Partner not working (min \$200 pa or \$20pm Direct Debit)	Children under 18 (no min.) contribution)
\$1000 kickstart	✓	✓	✓	✓
Tax credit (up to \$1,042 pa)	✓	✓	✓	X
Employer contributions	✓	X	X	X
Exempt ESCT (capped 2%)	✓	X	X	X
First home subsidy (means tested)	✓	✓	✓	X

When can I withdraw my savings?

Savings are locked in until you reach 65 or for five years' membership, whichever is later. There are exceptions though – some savings may be withdrawn for purchasing your first home or for significant financial hardship, serious illness or permanent emigration.

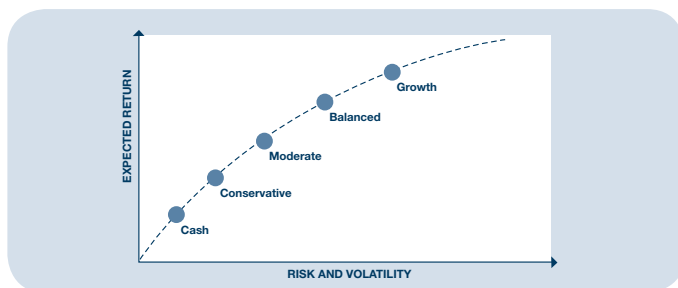
Can I take a break from making KiwiSaver contributions?

Although funds are “locked in” savers can take a break for up to five years at a time by applying for a “contributions holiday”. Contributions resume at the end of the holiday unless the individual applies for a further break. These ‘holidays’ can be taken after a year of membership. There is no limit to the number of times of times you take a holiday.



Investment Choice

AonSaver works with leading fund managers to provide a range of investment funds to suit most individuals' savings needs. These funds offer varying returns and levels of security. At one end of the spectrum cash investments have a low level of risk attached to them and consequently earn a moderate return. At the other end of the spectrum are growth funds which are mainly invested in shares and property and which offer greater returns but can be more volatile or risky.



Switching to AonSaver

If you are already a member of an existing KiwiSaver scheme and would like to switch to AonSaver, simply complete the **Member Enrolment Form** and **Election Form** in the Investment Statement and send it to Aon, and we will arrange for the investment funds to be transferred to the AonSaver scheme.

What is a Managed Fund?

KiwiSaver's approach is based on the well-established concept of 'Managed Funds' – pooling your money with others to give you more 'investing power' and access to a far wider range of investment options than if you were to 'go it alone'. In effect, putting your eggs in more than one basket.

Aon has appointed investment managers with the resources and experience to make the most appropriate investment decisions across a range of assets and markets, using detailed research and analysis and working within clearly defined investment guidelines.



How and where your money is invested

Depending upon the AonSaver fund(s) you select (either independently or with the help of a financial adviser) your pooled money will be invested in the following areas:

- The four main types of assets:
 - shares (also called 'equities'), in companies across a wide range of industries and countries
 - property shares
 - fixed-interest securities (sometimes referred to as 'bonds')
 - cash

These types of assets could be invested in New Zealand, Australia and Internationally, primarily in established economies – e.g. North America, Europe, U.K.

What is Investment Risk?

For many KiwiSaver members the idea of investment risk will be uncomfortable. Understanding what this means in investment terms – and your own individual approach to risk – will make it easier for you to make a decision about your AonSaver Scheme investment options. In investment terms 'risk' relates to the volatility of both individual investments and investment markets in general. The higher the level of risk, the greater the potential return to an investor. Lower risk is associated with lower volatility and generally provides lower investment returns.

AonSaver offers 13 investment choices and you can choose to invest in up to any four of these. Your savings will be invested evenly across the funds you select.

If you don't make a selection, your contributions will be invested equably in the Russell LifePoints® Conservative Fund and the Milford Fund, which is the default selection.





Investment Managers

Below is a profile of one of the investment managers that are part of the Aon range.

Russell Investments

Russell's Investment Philosophy

Russell is one of the world's leading investment firms and combines a solid commitment to excellent service with a sophisticated and time-tested investment approach. Established in 1936, Russell provides investors access to a level of investment expertise that until recently was reserved only for the world's largest corporate investors.

Russell utilise a proprietary investment process that goes beyond traditional methods, building layer upon layer of diversification to better manage risk. With diversification as the focal point of the process, Russell allocates not only among investment styles and asset classes, but among leading managers as well. To our knowledge, no other firm invests more time and people scouring the globe for tomorrow's leading managers.

Russell have formed a set of commonly held investment beliefs drawing on decades of Russell collective experience, comprehensive research and thorough evaluation.

These include:

- Adhere to a long-term strategic asset allocation.
- Don't time markets.
- Research leads to excellence.
- Consider active management.
- Use specialist managers.
- Diversify, diversify, diversify.

There are 3 other managers that are available through AonSaver — Milford Asset Management, ING and Tyndall.

How do I enrol in AonSaver?

Employees

Existing employees who have been enrolled in KiwiSaver can select AonSaver as their KiwiSaver provider by completing the member enrolment form and election form included in the Investment Statement.

Self Employed, Non-earners and Children

If you are self-employed, a non-earner or under the age of 18 years, you can open a KiwiSaver account with AonSaver by opting-in. Self-employed and non-earners over the age 18 qualify for the \$1,000 kickstart and member tax credit matching contributions up to \$20 per week.

You can join AonSaver by either enrolling online or by completing the member enrolment and election forms from the Investment Statement. On completion, please forward to AonSaver.

Individuals under the age of 18 years do not qualify for the member tax credit, but will receive the \$1,000 kickstart.

To open your account, complete the **Member Enrolment Form** in the Investment Statement or go online to www.aonsaver.co.nz. The minimum annual contribution is \$200 per year.

No minimum deposit is required for children under the age of 18.

Member enrolment and member election forms can be sent to:

**AonSaver,
PO Box 3167,
Shortland Street,
Auckland 1140**

**or fax to
(09) 362 9821.**





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