

# KiwiSaver

## First home deposit subsidy & withdrawal

November 2009

**AON**\$AVER

The logo for Housing New Zealand, featuring a white curved line above the text "Housing New Zealand" and "Housing New Zealand Corporation" below it, all on an orange background.

**Housing** New Zealand  
Housing New Zealand Corporation

**AON** CONSULTING

# FIRST HOME DEPOSIT SUBSIDY

- A suspensory loan of \$1,000 for each year of contribution to KiwiSaver up to a maximum of \$5,000.
- Can only be accessed after contributing to KiwiSaver for at least 3 years.
- First Qualifiers will be eligible in July 2010 if they commenced in July 2007 and have had no holidays.

# FIRST HOME DEPOSIT SUBSIDY – QUALIFYING CRITERIA

- Contribute 2% of their income for a minimum of 3 years to KiwiSaver, complying fund or exempt employer fund.
- Be a first home buyer.
- Be buying a house within the house prices caps.
- Have a household income within the income caps
- Live in the property for six months.

# FIRST HOME DEPOSIT SUBSIDY – QUALIFYING

- Income caps are \$100,000 for 1 or 2 applicants and \$140,000 for more than 2 people.
- Applicants have realisable assets of no more than 20% of the house price caps.
- House price caps are currently set at \$400,000 for high priced regions and \$300,000 for all other regions – reviewed annually in June
- Second chancers are in ...providing in same position as first home buyers

# WHAT CLIENTS NEED TO DO!

- Complete application form
- Provide supporting evidence/documents
- Provide a copy of a sale and purchase agreement
- Confirm when joined KiwiSaver & how much they have contributed.
- Send everything to HNZC

# WHAT HNZC WILL DO

- Assess every application against the agreed criteria
- Approve/decline
- Advise clients of outcome & next steps
- For approvals, we'll pay the deposit subsidy to the clients solicitors trust account
- Write to clients around the 6 months period to see if still there
- Write off or investigate further

# FIRST HOME WITHDRAWAL

- Allows KiwiSaver members to withdraw part of all of their savings (excluding government contribution and tax credits) to put towards the purchase of a first home.
- Administered by KiwiSaver Providers
- For first home Buyers there is no income cap or house price cap criteria

# HNZC ROLE IN FIRST HOME WITHDRAWAL

- Only previous home owners who apply for First Home Withdrawal need to be referred to HNZC
- They need to complete an application form and send to HNZC
- They need to meet the same criteria as deposit subsidy clients around income, KiwiSaver contributions and house price caps
- Have realisable assets of no more than 20% of the relevant house price cap
- Advise client and KiwiSaver provider of Outcome

# WHERE CLIENTS CAN GET INFO FROM

- Early 2010, the HNZC website [www.hnzc.co.nz](http://www.hnzc.co.nz) will have First Home Deposit Subsidy info
- Hoped to have self test for initial eligibility
- Links back to IRD website
- Marketing collateral produced
- HNZC contact centre trained
- HNZC local officers advised where to refer clients to