

New Zealand Retirement Trust

10 October 2023

NZRT Personal Superannuation – How does this investment work?

This document provides additional information on how you can manage your investment in the New Zealand Retirement Trust – Personal Superannuation Section (Section), including:

- contributions;
- withdrawals;
- transfers to/from the Section; and
- making any changes to your account.

If you are invited to join this Section, with the help of your Adviser, you will need to decide which membership is suitable for your needs.

- If you wish to transfer UK sourced funds to the NZRT, then you will need to become a QROPS member.
 - If you wish to contribute to your retirement through NZRT, then you will need to become a **personal member**.
- You can also choose to be both a personal and a QROPS member. Depending on your membership, different rules may apply.

This information describes the general information on the differences between the memberships in NZRT, how you and your employer (if applicable) make contributions to, withdraw from and make transfers to/from this Section.

The information set out in this document should be read with the relevant Product Disclosure Statement (PDS) for this Section and any quarterly fund updates given to you with the PDS.



A little help.

AMP 

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Contributions

Member contributions

You generally contribute to this Section by:

- if you are a QROPS member only, transfer of UK pension savings into the Section; and / or
- if you are a personal member, a lump sum deposit or direct debit,

making it easier to save for your retirement.

UK pension savings will go into your QROPS account (which is a sub-account within your member account in this Section). All other contributions will go into your member account.

Your accounts will be set up upon application. This means that if you have only joined the Section as a QROPS member, you will need to fill out a personal member application form before you or your employer can make contributions to the Section.

Details on how you contribute are set out in the table below.

Type of contributions	How do I make these contribution
Regular contributions*	<p>Regular contributions can be made by direct debit.</p> <p>How to set up a direct debit</p> <p>To set up a direct debit, complete the Direct Debit Authority which is available at amp.co.nz/forms</p> <p>Frequency</p> <p>Choose between weekly, fortnightly, four-weekly, monthly or annually.</p> <p>Minimum amount</p> <p>There is currently no minimum amount if you set up a direct debit with us.</p>
Lump-sum contributions*	<p>How to make a voluntary lump-sum contribution</p> <p>You can make a voluntary lump-sum contribution directly to AMP by internet banking. To do this enter 'AMP NZ Retirement Trust' – we are pre-registered so our account details will load automatically. Call us if you don't have internet banking.</p> <p>Frequency</p> <p>As often as you like.</p> <p>Minimum amount</p> <p>There is currently no minimum amount if you wish to make a lump sum contribution.</p>
UK pension transfers	These will be generally transferred directly by your UK pension provider or QROPS provider following your request.

*You and your employer currently cannot make regular or lump-sum contributions into your QROPS account

Employer contributions

Your employer may make contributions towards your retirement savings depending on the arrangement you have with them. Any employer contributions will be made to your member account.

Your employer may set up a direct debit to make regular contributions to your NZRT account. Your employer can choose to suspend, stop or alter its contributions at any time depending on the arrangement you have with them.

Employer Superannuation Contribution Tax (ESCT) is deducted from all employer contributions by your employer before they are transferred to your account.

As noted above, your employer cannot contribute to your QROPS account.

QROPS Transfers

The Scheme is a QROPS, which means that it can receive UK pension transfers.

A UK overseas transfer charge will apply if you are not a New Zealand tax resident when you transfer UK sourced pension funds to NZRT:

- from a UK registered pension scheme; or
- from another QROPS if the transfer to NZRT is made within five full UK tax years of the date of the original transfer out of a UK registered pension scheme (the five year period), and the original transfer was requested after 9 March 2017.

The charge is 25% of the amount of your UK sourced pension funds transferred (excluding returns). This charge can be deducted, in the case of a transfer, from the transferred amount by the scheme from which you are transferring, or by us from funds held in your QROPS Account in NZRT if your tax residency changes while you are a member (see below).

If a transfer has not been previously subject to this charge, the charge would also arise if you cease, within the five year period, to be New Zealand tax resident while the UK sourced pension funds continue to be invested in NZRT, provided your original transfer was requested after 9 March 2017.

If you subsequently become New Zealand tax resident within the five year period, it may be possible for the charge to be reimbursed.

Any UK pension or QROPS transfers will be held in your QROPS account. If you wish to transfer your UK pension to the Scheme and then want to continue to contribute to your retirement savings whilst working in New Zealand, you will need to establish another account through either:

- the Workplace Savings section of the Scheme, if your employer has a plan through the Scheme; or
- the Personal Superannuation section of the Scheme, if you are a personal member.

If you do establish another account, or if you already have another account with the Scheme, this will also be subject to the QROPS Rules, in addition to the other account rules, which means you will be able to make a withdrawal from that account only once you are entitled to make a withdrawal from your QROPS account. This is because when you are a QROPS member any withdrawals from your other NZRT accounts are deemed under the QROPS Rules to be a withdrawal from your QROPS account.

Your Adviser will be able to provide you with more information on which account is available to you.

Withdrawals

Withdrawals after retirement

This Section is a superannuation scheme under the Financial Markets Conduct Act 2013 (FMCA) so unless you qualify for one of the early withdrawals set out below you will not be able to make a withdrawal until you reach the end payment date or a date after that date.

The end payment date is the earlier of:

- the date on which you reach the New Zealand superannuation qualification age (currently age 65); or
- the date that is 5 years before the date referred to above if you meet the requirements for permanent early retirement.

You will meet the requirement of ‘permanent early retirement’ if the Supervisor is reasonably satisfied that you have:

- permanently retired from business or employment; and
- reached an age that is 5 years before the New Zealand superannuation qualification age.

On retiring you can also choose to leave your savings in this Section until you need them, or set up a regular withdrawal so that you have a regular income or make a full withdrawal.

If you have transferred UK sourced pension funds into this Section, then different withdrawal rules and restrictions will apply to you (see section ‘Withdrawal of UK sourced pension funds’ below for more information).

The table below sets out how you can make a regular or lump-sum withdrawal when you reach your end payment date.

Withdrawal type	How to make the withdrawal
Regular withdrawals	How to set up regular withdrawals
	Complete the ‘Withdrawal’ form at amp.co.nz/forms
	Frequency Choose from fortnightly, monthly or quarterly.
	Minimum amount Each regular withdrawal must be at least \$250.
Lump-sum or full withdrawal	How to withdraw a lump-sum or full withdrawal
	Complete the ‘Withdrawal’ form at amp.co.nz/forms
	Frequency As often as you like.
	Minimum amount Each lump-sum withdrawal must be a minimum of \$500.

After you make a lump sum withdrawal you must generally keep a minimum balance of \$1,000 or such other amount that is determined by us from time to time, in any of your accounts. If you make a withdrawal and it results in your account falling below \$1,000, or such other amount as determined by us from time to time, we may treat it as a full withdrawal and close your account in this Section.

Withdrawals before retirement

Early withdrawals are permitted in some circumstances. These are set out below. If you have a QROPS account these may not apply to you, see 'Withdrawal of UK sourced pension funds' below.

Significant financial hardship

If the Supervisor is reasonably satisfied that you are suffering or are likely to suffer from significant financial hardship, then you may withdraw some of your savings.

Significant financial hardship includes significant financial difficulties that arise because of:

- a) a member's inability to meet minimum living expenses; or
- b) a member's inability to meet mortgage repayments on his or her principal family residence resulting in the mortgagee seeking to enforce the mortgage on the residence; or
- c) the cost of modifying a residence to meet special needs arising from a disability of a member or a member's dependant; or
- d) the cost of medical treatment for an illness or injury of a member or a member's dependant; or
- e) the cost of palliative care for a member or a member's dependant; or
- f) the cost of a funeral for a member's dependant; or
- g) the member suffering from a serious illness (defined below).

The amount of that significant financial hardship withdrawal may, subject to the Supervisor's approval (see below), be up to the full value of your account.

The Supervisor:

- a) must be reasonably satisfied that reasonable alternative sources of funding have been explored and have been exhausted; and
- b) may direct that the amount withdrawn be limited to a specified amount that, in the Supervisor's opinion, is required to alleviate the particular hardship.

You must complete the 'significant financial hardship' withdrawal form which can be found on the AMP website at amp.co.nz/forms. The form includes a statutory declaration that must be completed in respect of your assets and liabilities.

The Supervisor may also require any medical matter asserted in support of the application for withdrawal to be verified by medical evidence, or any other documents, things, or information provided to support the withdrawal and the application to be verified by oath, statutory declaration or otherwise. Refer to the significant financial hardship withdrawal form for further details.

Serious illness

If the Supervisor is reasonably satisfied that you are suffering from serious illness, then you may, on application to the Supervisor, make a serious illness withdrawal.

Serious illness means an injury, illness, or disability:

- a) that results in the member being totally and permanently unable to engage in work for which he or she is suited by reason of experience, education, or training, or any combination of those things; or
- b) that poses a serious and imminent risk of death.

The amount of that serious illness withdrawal may be up to the full value of your account.

The Supervisor may also require any medical matter asserted in support of the application for withdrawal to be verified by medical evidence, or any other documents, things, or information provided to support the withdrawal and the application to be verified by oath, statutory declaration or otherwise. Refer to the serious illness withdrawal form for further details.

Transition to Retirement

If the Supervisor is reasonably satisfied that you qualify to receive a transition to retirement benefit then you may, on application to the Supervisor, commence transition to retirement withdrawals.

The Supervisor will need to be reasonably satisfied that:

- you have reached an age that is 10 years before the New Zealand superannuation qualification age; and
- the withdrawals are to be made through periodic payments that relate to each other and are made over an identifiable period of time in accordance with the Trust Deed.

The maximum amount you can withdraw every year will be calculated in accordance with the superannuation scheme rules set out in the Financial Markets Conduct Regulations 2014.

The Supervisor may also require documents in support of the application. Refer to the 'Withdrawal' form on the AMP website at amp.co.nz/forms for further details.

Death

In the event of your death, we will:

- a) on application by your personal representative (i.e. the executors or administrators of your estate), pay to that person the full value of your account at the date on which the application is accepted as part of your estate; or
- b) on application by a permitted recipient (i.e. the beneficiary of your estate), if that recipient meets the requirements of the Administration Act 1969, we will pay to that person the benefit or withdrawal provided the amount of the savings is less than \$15,000 (currently the prescribed maximum amount under NZ law).

The Manager may also require documents in support of the application. Refer to the 'Deceased member withdrawal' form on the AMP website at amp.co.nz/forms for further details.

Release of funds required under other enactments

We must comply with the provisions of any enactment that requires us to release funds from this Section in accordance with that enactment.

Such a requirement to release funds from this Section under any enactment includes a requirement by order of a court, including a property sharing order made under the Property (Relationships) Act 1976.

Withdrawals of UK sourced pension funds

If you have transferred UK sourced pension funds into this Section, then different early withdrawal criteria will apply to you. In particular, you will not be able to make a significant financial hardship or serious illness withdrawal if that withdrawal does not comply with the below restrictions.

Under HMRC rules, you generally cannot make a withdrawal from your QROPS account in this Section until you reach the normal minimum pension age (NMPA) in the UK (currently age 55, increasing to 57 on 6 April 2028) unless you meet the early withdrawal conditions set out below.

Once you reach the NMPA in the UK, if you wish to receive your retirement benefit you will need to advise us. Your benefit can be paid either:

- a) by lump sum only; or
- b) by regular instalments only; or
- c) as a combination of regular instalments and a lump sum.

If you have a 'protected pension age' you may not be affected by the increase in NMPA in the UK set to occur on 6 April 2028. For you to have a protected pension age under the QROPS Rules all the following must be met:

- before 4 November 2021 you had the right to take a pension or lump sum, or both, before you reached age 57;
- that right was unqualified, in that you don't need anyone's consent to take your benefits; and
- on 11 February 2021 the scheme rules included provision to pay benefits before age 57 (which is the case for NZRT).

If you meet all of these criteria, we recommend you discuss the implications for your personal situation with a financial adviser.

Your overall benefit is calculated as the balance of your QROPS account, less all applicable taxes and fees (if any) owing at the date of commencement of any payment.

To receive your benefit, you must complete the 'withdrawal form' which is available from your Adviser or by calling us on **0800 800 267**.

Early withdrawals for UK sourced pension funds

In limited circumstances, you may be able to make an early withdrawal from your QROPS account. If you meet the criteria, the following permitted early withdrawal types may be available to you.

Early withdrawal type	What savings you will be able to withdraw?
Ill health	If you retire before age 55 (increasing to 57 on 6 April 2028) and we receive evidence from a registered medical practitioner that you are, and will continue to be, incapable of carrying on your occupation because of physical or medical impairment, the full balance of your QROPS account will be paid to you if you request it.
Serious ill health	If we receive evidence from a registered medical practitioner that you are expected to live for less than one year, the full balance of your QROPS account will be paid to you.
Release of funds required under a property sharing order	We may be required to release some or all of your savings under a property sharing court order.

We recommend that you speak with your Adviser if you want to make withdrawals from your QROPS account. When you receive a retirement or ill-health benefit from your QROPS account, 25% of the original amount of your UK sourced pension funds along with any returns, will be tax free. You may be liable to pay UK tax on the remaining 75%, depending on your tax residency. Based on our understanding of the current law, if you are a New Zealand tax resident at the time of withdrawal, you should not be liable to pay any UK tax on the withdrawal. However, this is not free from doubt and, in any event, the position can change. Your tax residency depends on your individual circumstances. You should seek taxation advice before making a withdrawal to determine what UK tax, if any, is payable.

There is the potential for a UK unauthorised payment charge of 40%, and an unauthorised payment surcharge of an additional 15%, to be charged on UK-sourced pension funds transferred to a non-QROPS, or on payments to you from your QROPS account if those payments are not authorised by UK legislation. These UK tax charges are unlikely to apply because NZRT allows withdrawals only if it believes the withdrawals are permitted by UK legislation. These charges potentially apply if, when you make the transfer or withdrawal:

- you have been a UK tax resident at any time within the current or preceding 10 UK tax years, or 5 years for persons who transferred their UK pension money outside the UK before 6 April 2017; or
- the original transfer out of a UK registered pension scheme occurred within five UK tax years of the proposed transfer or withdrawal (for persons who transferred their UK pension money outside the UK on or after 6 April 2017), (whichever is later).

Death

In the event of your death, the same rules apply for the treatment of your UK sourced pension funds as outlined on page 6.

How long does it normally take to receive my withdrawal?

Once we have all the information we need and your withdrawal has been approved, you'll normally receive your money into your nominated bank account within eight working days (although withdrawals can be deferred in some circumstances in accordance with the Trust Deed). However, if we accept a QROPS transfer that is subject to additional specific withdrawal restrictions, then you will only be able to withdraw the transferred amounts in compliance with those restrictions.

Withdrawal fees may apply for the Declared Rate Fund. For more information refer to the 'NZRT - Fees and Other Charges' document on the AMP website at amp.co.nz/forms.

Other important information relating to UK sourced pension funds

We may take all steps and do all things (including imposing additional terms and conditions on payments from your QROPS account) as we consider necessary or desirable from time to time at our complete discretion in order to maintain the Scheme's status as a QROPS.

As the Scheme is a QROPS, we must report to HMRC any payments (including transfers) from your QROPS account until:

- a) you have been a non-UK tax resident for ten consecutive UK tax years prior to the payment(s); and
- b) there has been a period of at least 10 years from the date of your original transfer from a UK registered pension scheme.

By transferring your UK sourced pension funds to this Section, you agree to provide information we may request from you for reporting to, and you authorise us to provide any personal and other information to, HMRC.

There is the potential for a UK unauthorised payment charge of 40%, and an unauthorised payment surcharge of an additional 15%, to be charged on UK sourced pension funds transferred to a non-QROPS, or on payments to you from your QROPS account if those payments are not authorised by the QROPS rules.

These charges are unlikely to arise so long as the Scheme maintains its QROPS status and we ensure that payments made to you are authorised by the QROPS Rules (but we provide no warranty and do not indemnify you against these charges should they arise for any reason).

If you also have a balance in any other account in the Scheme, in addition to the other account rules, you will be able to make a withdrawal from that account only when you are entitled to make a withdrawal from your QROPS account.

The QROPS requirements and restrictions may change from time to time pursuant to (and in order to comply with) UK and/or New Zealand regulations.

Transfer to this Section

Transfers sourced from UK pension schemes

The Scheme is a QROPS as at the date of this document, which means that you may be able to transfer UK sourced pension funds either directly from the UK or from another QROPS, or former QROPS to this Section. However, if you transfer any UK sourced pension funds to this Section, then you will be subject to additional terms and conditions which include the QROPS Rules and those described in the 'Other important information relating to UK sourced pension funds' section above. This may affect your ability to access any other balances you have in this Section or the Scheme from time to time. We recommend that you seek independent UK and New Zealand tax advice before you make a transfer.

Tax on foreign superannuation

The New Zealand tax rules generally crystallise a New Zealand tax liability when savings are withdrawn or transferred from foreign superannuation schemes (other than from Australian superannuation schemes). You should seek New Zealand tax advice to understand how the rules apply to you and whether any exemptions are available.

Other transfers to this Section

You may also be able to transfer from other retirement schemes, whether they are personal superannuation schemes or a workplace savings plan. These schemes may have restrictions on transfers.

For more information, contact your current scheme provider, talk to your Adviser or call us on **0800 800 267**.

Transfers from this Section

Transferring ownership of your savings in this Section

Units in the NZRT cannot be assigned, charged, or borrowed against, unless we agree. In addition, subject to the Trust Deed and except as required by law, a member cannot not assign, mortgage, charge, alienate, or otherwise pass to any other person any of their rights, interest or benefits or borrow against their interest in the Scheme (and, if a member does so, those rights, interest or benefits will be forfeited to the Manager).

Transfers to another retirement scheme

A member may, at any time during that person's membership in this Section, apply to have the Manager transfer the member's accumulation to any of the following schemes:

- a) another superannuation scheme;
- b) a KiwiSaver scheme; or
- c) an equivalent overseas retirement scheme.

An **equivalent overseas retirement scheme** means any trust or other arrangement established in a country other than New Zealand that has the purpose of providing retirement benefits directly or indirectly to individuals.

For the purposes of that definition, a scheme may be considered to be for the purpose of providing retirement benefits even if it permits redemptions, withdrawals, or the provision of benefits in limited circumstances (provided that those permitted redemptions, withdrawals, and benefits are incidental or secondary to the purpose of providing retirement benefits).

You cannot transfer UK sourced funds unless the scheme you wish to transfer to, at the date of request, meets the QROPS requirements as determined by us. For any other transfer we must, if the other scheme referred to above indicates it will accept the applicant as a member, transfer the member's accumulation to the other scheme.

Changes to your investment

What changes you can make

What do you want to change?	How to do this
Changes to direct debit payments	<p>If you're making direct debit payments, you can change the frequency and/or amount of your direct debits at any time.</p> <p>You can also set up a new direct debit at any time.</p> <p>To change the amount or frequency, just email or call us on 0800 800 267.</p> <p>To change the bank account, please fill out a new Direct Debit Authority available at amp.co.nz/forms.</p>
Changes to your choice of funds	<p>You can easily switch your savings between funds that are available to you.</p> <p>You can also change funds by leaving your existing balance (and earnings on that balance) in your current fund and redirecting future contributions to another fund available to you.</p> <p>You can do this on My AMP, which you can access on online.amp.co.nz.</p> <p>A switch fee may apply, see the 'NZRT - Fees and other charges' document available on the AMP website at amp.co.nz/forms for more information. Switches can be deferred in the same way as withdrawals (as outlined above).</p>
Updates to your personal details	<p>Please make sure you tell us when your personal details change, such as your address or prescribed investor rate.</p> <p>You can do this on My AMP, which you can access on online.amp.co.nz.</p>

Changes we can make

Changes to benefits

We can provide extra or different benefits as long as we agree them with you.

See the 'NZRT – Who is involved?' document available on the AMP website at amp.co.nz/forms for more information on other changes we can make to NZRT.

Glossary

AMP, we, our, us and **the Manager** means AMP Wealth Management New Zealand Limited, the manager of the New Zealand Retirement Trust.

Current or **currently** means that legislation, policy or a practice is current as at the date of this document but may change at any time without notice.

Fund means an investment fund established in the New Zealand Retirement Trust.

HMRC means HM Revenue and Customs in the United Kingdom (the tax authority in the United Kingdom).

NMPA means normal minimum pension age, as defined in the UK Finance Act 2004.

PDS means the Product Disclosure Statement for the offer of membership in the NZRT Personal Superannuation Section.

QROPS means qualifying recognised overseas pension scheme.

QROPS Rules means the relevant UK legislation, regulations and/or statutory instruments applicable to a QROPS, as amended from time to time.

Quarterly fund update means a quarterly fund update prepared for an investment option within the Scheme.

Scheme or **NZRT** means the New Zealand Retirement Trust.

Section means the New Zealand Retirement Trust – Personal Superannuation Section.

Supervisor means The New Zealand Guardian Trust Company Limited, the supervisor of the Scheme.

Trust Deed means the document governing the New Zealand Retirement Trust, as amended from time to time.

UK sourced pension funds means a sum that was held in respect of you in a UK registered pension scheme, or in another QROPS if that sum was directly or indirectly transferred into another QROPS from a UK registered pension scheme.

You, your or **investor** means the person who is an investor of the New Zealand Retirement Trust.

Phone 0800 800 267
Email workplaceadmin@amp.co.nz
Web amp.co.nz
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Want to know more?

For more information about the New Zealand Retirement Trust, please see the relevant New Zealand Retirement Trust Product Disclosure Statement at amp.co.nz/nzrt or contact us on 0800 800 267 or talk to your Adviser today.

A little help.

