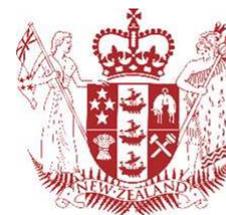


# Hon Kris Faafoi

## Minister of Commerce and Consumer Affairs



16 September 2020

PANUI PĀPĀHO

MEDIA STATEMENT

## Economic recovery guides Govt response to retirement income policy review

The Government is working on how New Zealand's retirement income policies and settings can best support Kiwis in light of the COVID-19 economic recovery, with the help of the Retirement Commissioner's latest review, Commerce and Consumer Affairs Minister Kris Faafoi said.

"The Retirement Commissioner's three-yearly review into New Zealand's retirement income policy was delivered to the Government late last year. It raised a number of important issues about New Zealanders' wellbeing and financial independence in retirement, particularly for vulnerable people.

"Since we received the review, the COVID-19 pandemic has had a significant impact on New Zealand's economy.

"As we rebuild, there is an opportunity to think strategically about what we can do to improve financial capability outcomes, and to ensure that New Zealanders are well-prepared for retirement.

"While COVID-19 has affected our ability to fully assess and respond to the review's recommendations as they stood last year, our work continues on making sure all Kiwis have the means to enjoy a good standard of living as they grow older. The Government's focus is now to work alongside the Retirement Commissioner to ensure that the recommendations are considered within the rapidly changing economic context."

The Government has outlined its response to the review in several key areas:

### ***Working in partnership with the Retirement Commissioner***

The Government is committed to working closely with the Commissioner to consider the review's recommendations, especially those that aren't already being addressed under existing work programmes. A key focus will be on addressing the recommendations to address the needs of people most likely to have poor outcomes in retirement, such as Māori and Pasifika.

### ***Improving coordination and monitoring across the retirement income system***

The Government supports the Retirement Commissioner's efforts to deliver a more collaborative focus on retirement policy issues. We intend to continue to work with the Commissioner on this, including reinvigorating the National Strategy for Financial Capability.

### ***Aligning the review's recommendations with existing work programmes***

Many of the recommendations will be considered alongside the Government's existing work programmes, including:

- initiatives to support people to accumulate retirement assets, such as through housing assistance programmes
- initiatives to support older people through paid employment and in KiwiSaver
- improvements to the welfare system, with a focus on ensuring people have adequate income and a decent standard of living and way of life regardless of their personal circumstances.

The Government has already taken action on two of the review's recommendations, Kris Faafoi said.

"We have addressed the recommendation to establish a new employment connection service by launching the Keep New Zealand Working online recruitment tool, which connects job seekers directly to employers.

"We have also addressed the recommendation to make prescribed investor rates tax refundable through the Taxation (KiwiSaver, Student Loans, and Remedial Matters) Act 2020 to accommodate people using incorrect tax rates.

"I thank the Retirement Commissioner and the CFFC for their thoughtful work and contribution to retirement income policy.

"Taking a much more collaborative approach, we can support all Kiwis to have the financial means to enjoy a good retirement whatever the economic landscape," Kris Faafoi said.

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