

INCENTIVE SAVER NEWSLETTER



MAY / JUNE 2025

WELCOME

We are now a merry band of 25 savers including 9 people who are part of a community based savings group. This newsletter is designed for anyone with an interest in learning about money, not just those on the Incentive Saver scheme.

It was a pretty damp Easter. We went to Nelson to help our son paint a room inside his house. The rain didn't help drying times but we eventually managed to hide the old floral vinyl wallpaper under a few layers of paint!

FREE: If anyone needs a nearly full 10 litre container of Resene ceiling paint (tinted 1/8 Spanish White) let me know. Suffice to say I made a mistake with the colour! Big oops.

My husband and I both hit 65 in the next month (nope, no imminent retirement planned) but we are taking 15-30 May off to celebrate this milestone, hence this newsletter covering May/June. The next newsletter will be in July. The looming years of retirement prompted this month's newsletter topic.



Newsletter Topic – Retirement

Whoa before you skip over all of this do have a read. My husband and I are turning 65 in next couple of months and we never thought the time would arrive so quickly.



It's interesting starting to look at how we will manage the transition. In hindsight we could probably have saved harder but life's a balance and we've always valued putting money towards experiences and travel alongside saving for our future.

I'm glad the younger generation can benefit from 40+ years in Kiwisaver/investing. Compound interest over time will earn you way more than you can save yourself.

Things We've Learnt

1. HOW MUCH IS SUPERANNUATION?

- Single person living alone receive \$1,076.84. fortnightly.
- Couples (who both qualify) receive \$1,656.68 fortnight (so \$828.34 each).



2. WHAT HAPPENS IF I CARRY ON WORKING?

You'll still get your superannuation but it may be taxed differently. Your main source of income gets the standard tax code and a secondary tax code is applied to the lower amount.

For example: I would use a M tax code for my work as a financial mentor and a S code for my superannuation (meaning I'll receive less superannuation each fortnight). When I stop work my superannuation will change to M tax code (and I'll receive the full amount of superannuation each fortnight).



Alternatively, if I only worked a few hours each week then Superannuation would be my main income and have a M tax code.

Note: There are different codes (not just S) depending on your expected total income from work and superannuation. Here's the link if you want to check

<https://www.govt.nz/browse/tax-benefits-and-finance/tax/choose-the-right-tax-code-for-your-nz-superannuation/>

3. CAN I TRAVEL?

People can be out of the country and still receive superannuation for 26 weeks as long as they return to NZ within 30 weeks.



4. HOW MUCH DO I NEED IN RETIREMENT?

Mary Holm says as a rough guide for every \$100 000 saved it will give you approximately an extra \$100 per week on top of your superannuation.

I have mentioned Ruth The Happy Saver (NZ) before. This link leads you to Ruth's real-life blog on how she is planning ahead to work out their retirement income. If you're serious about working on a plan for retirement this is worth a read.

<https://www.thehappysaver.com/blog/how-much-money-do-i-need-to-have-invested-at-65>

5. SHINGLES Free Vaccination

Anyone who has had chickenpox is at risk of developing shingles later in life. 1 in 3 people will get shingles during their lifetime. Shingles is a painful rash that develops on one side of the face, body or head.

Shingles vaccination is free for 12 months after your 65th birthday. You need 2 doses, 2 to 6 months apart. As long as you receive your first dose when you are 65, your second dose will still be free, even if you get it after you turn 66.

Normal price \$600-\$800 for 2 doses.



Prices Changes from 1 April



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

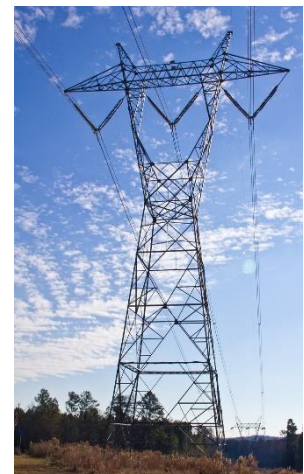
- **Minimum wage:** increases from \$23.15 to \$23.50 an hour before tax.
- **Starting Out and Training Minimum wage** increases \$18.52 to \$18.80 per hour.
- **Sole Parent Support:** increases by \$11 per week to \$505.80 after tax.
- **Supported Living Single 18+:** \$411.80 weekly.
- **Jobseeker Support:**
 - a) Couples with children increases by \$7.06 to \$324.61 (each)
 - b) Single people over 25 without children will get \$261.31
 - c) Couples without children will get \$307.42 each.
- **Student Loan Repayments:** Student loans are interest-free for people who stay in New Zealand but interest is charged when people move overseas. The repayments will increase for both New Zealand-based and overseas borrowers. **New Zealand-based borrowers** will see an average increase of about \$1.20 a week. **Overseas borrowers** interest rates will increase an additional 1%.
- Student loan repayment threshold has been frozen at \$24,128.

Power

Fortunately the Winter Power payments have started 1 May – 1 October 2025. It's \$20.46 for single people and \$31.82 for couples and people with dependent children.

Unfortunately, the Commerce Commission estimates household power bills will increase by about \$10 per month (\$120 annually)

Power companies can now charge a maximum daily charge of \$1.50-day (before April 2022 it was 30c a day) Lines charges will also increase by about \$10 to \$25 a month.



Why is Power Going Up?

Low user rates are being phased out. The low-user option allowed people to pay a lower fixed daily fee in return for higher prices for their power consumption. It is being phased out due to concerns it was poorly targeted and helping some wealthier low-use households at the expense of high-user, lower-income households, such as big families.



The Commerce Commission ruled in November 2024 that Transpower and the electricity distribution businesses could increase the revenue they collect to pay for higher distribution, inflation and transmission costs.

OOOPS – CAUGHT OUT



The Commerce Commission has filed criminal charges against meal delivery company HelloFresh New Zealand for alleged misleading behaviour. The Commission started an investigation into HelloFresh after receiving a high number of complaints about its sign-up, cancellation, and reactivation processes.

It says the company misled customers in cold calls trying to get discontinued subscribers to sign up again. Between February 2022 and July 2023 previous HelloFresh customers were offered vouchers without being told that accepting them would reactivate their subscription. In these calls, it was not made clear to some customers that if they accepted a discount voucher offered, their subscription would be reactivated, and their bank account would be debited.

HelloFresh have apologised, blamed it on call centre staff not following correct procedures and said they took remedial action once they became aware of the situation.

Aratupu Preschool Money Chats – around 9am

Dates:

- Tues 6th May – **Easy Week Night Cooking** – Hannah
- Tues 3rd June – **Children and Savings/Investing** -



Lastly for those that follow **UK Rebel Finance School 2025**. Their new **free 10-week online** course starts 2nd June.

Happy Saving!

Thank you also to those of you who spread the word about Incentive Saver amongst family, friends and clients.

If you are interested to know more about the Incentive Saver scheme or want your name added to the newsletter list just send us an email

Linda Smith Financial Mentor 027 818 7116 lindas@mmsi.or.nz

Mike King Financial Mentor 027 2604403 mike.king@mmsi.org.nz

If you no longer wish to receive newsletters from me please reply with “unsubscribe” in the subject line.

NEWSLETTER LINK

There is now a link to all newsletters on CMM website <https://www.mmsi.org.nz/What-We-Do/Work-with-Adults-Parents-Whanau/>