



By Freya Boyd
freya@collinsmay.co.nz
 DD: 576 1409

Lloyd Collins
lloyd@collinsmay.co.nz
 DD: 576 1403

Eugene Collins
eugene@collinsmay.co.nz
 DD: 576 1407

Amy Haste
amy@collinsmay.co.nz
 DD: 576 1412

Simone Seddon
simone@collinsmay.co.nz
 DD: 576 1411

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KIWISAVER WITHDRAWALS — THE BASICS & CHANGES

The Basics

Many first-home buyers look to KiwiSaver to contribute toward the purchase of their home. KiwiSaver members have the option of using two features:

- The KiwiSaver HomeStart grant; and
- The KiwiSaver first-home withdrawal.

In order to apply for the KiwiSaver HomeStart grant you must have been contributing to KiwiSaver for a minimum of three years and live in the house that you buy for at least six months. When purchasing an existing home you can be granted between \$3,000.00 and \$5,000.00. If you are purchasing a new build home, the HomeStart grant is between \$6,000.00 and \$10,000.00.

If you are planning to apply for this grant Housing New Zealand requires a minimum of four weeks to process applications and pay out the money.

You can apply for the KiwiSaver first-home withdrawal if you have been a member of KiwiSaver for at least three years, intend to live in the property you are purchasing and have not previously owned property (or meet the Housing New Zealand eligibility criteria as discussed below).

Note that KiwiSaver applications can take up to ten working days to process, so be sure to allow a minimum of ten working days between the date your Sale and Purchase Agreement goes unconditional and the settlement date.

The Changes From 1 July 2016

If you are a KiwiSaver member wanting

to apply for the two KiwiSaver features discussed previously and you no longer own property but have in the past, you must complete two forms. **You can no longer apply for both features in one application.**

If Housing New Zealand determines you are in the same financial position as you would have been had you not previously owned property, they will send you a letter of eligibility which needs to be sent with your KiwiSaver application form.

From 1 August 2016

- Income Cap Limits** have been increased from \$80,000.00 to \$85,000.00 for one buyer and \$120,000.00 to \$130,000.00 for two or more buyers;
- House Price Caps** have been increased by \$50,000.00 to new levels of \$400,00.00, \$500,000.00 and \$600,000.00 for existing properties. New price caps of \$450,000.00, \$550,000.00 and \$650,000.00 have also been added for new build properties. The differences in the figures are based on the location of the property in New Zealand.

If you have any questions about your KiwiSaver application or need help with the process please contact one of the Team at Collins & May Law.

20 MINUTE FREE

**WANT to review your Family Trust structure?
 THEN call us and take advantage of our 20 Minute Free interview**