Strengthening KiwiSaver for the future

Labour

Labour will create more jobs and strengthen KiwiSaver, so New Zealanders can earn more, save more, and enjoy the retirement they've worked so hard for.

If you work hard, you should be able to get ahead and build a secure future. That's why Labour created KiwiSaver.

KiwiSaver is now helping millions of New Zealanders buy their first home, build a nest egg, and plan for retirement with greater security. KiwiSaver is now worth more than $138 billion and is an important source of investment for New Zealand businesses.

Labour built KiwiSaver - and a Labour Government will strengthen it.

National can't be trusted with New Zealanders' savings. A National Government cut the KiwiSaver government contribution in 2011 and again in 2025 - and scrapped the $1,000 kick-start in 2015. New Zealanders can't risk another three years of National.

A Labour Government will strengthen KiwiSaver for the next generation. We will back people to save more throughout their working lives, while making sure they have flexibility when money is tight.

A better future

Your hard work should pay off. Not just in your pay packet and weekly budget, but in the savings you build over your lifetime.

With costs going up, too many New Zealanders are struggling to save for the future. More than a million working-age members aren't contributing to their KiwiSaver, and 83,400 people have had to pause their savings – allowing their employers to stop contributing too and leaving them further behind.

When people can't save, it means they have less financial security, fewer choices, and a tougher retirement. Getting through a tough patch shouldn't stop you from saving for the future. Labour will fix this.

A stronger KiwiSaver will help more New Zealanders:

- Keep saving when household budgets are under pressure.
- Build a deposit for their first home.
- Plan for the future.
- Retire with more security.

How it works

Labour is announcing practical measures to help New Zealanders save for the future. Labour will:

- Make employer contributions compulsory from 1 July 2028, and lift them to 6% by 2032, including when employees reduce or pause their own contributions
- Set the employee default at 4%, remove the minimum contribution rate, and give people more flexibility to adjust their contributions as circumstances change
- Ban new total remuneration contracts that absorb employer KiwiSaver contributions into salaries
- Provide a KiwiSaver contribution for parents while they're on paid parental leave
- Extend employer contributions to people working beyond the age of 65 years from 1 July 2028
- Explore more flexible KiwiSaver options for self-employed New Zealanders

Under a Labour Government, by 2032 most working New Zealanders will have more going into KiwiSaver - helping them plan for the future, buy a first home and retire with greater security. When money is tight, they will also be able to reduce their own contributions without missing out on their employer's contribution.

Building on KiwiSaver's legacy

KiwiSaver is one of Labour's proudest achievements. When Sir Michael Cullen created it, National voted against it.

Today, KiwiSaver is part of the fabric of New Zealand. KiwiSaver helps people buy their first home and prepare for retirement, while providing a source of investment for New Zealand businesses.

But it doesn't work well for everyone.

Only 44% of self-employed people actively contribute to KiwiSaver, compared with 78% of employees. People working beyond 65 can miss out on employer contributions, while most parents on paid parental leave stop contributing to their KiwiSaver. **Labour will make KiwiSaver work for more New Zealanders.**

Fiscal impact

Making the employer contribution compulsory and increasing the employer contribution to 6% over time will increase revenue from the Employer Superannuation Contribution Tax. This will help fund government contributions to paid parental leave recipients and meet the government's higher costs as an employer, which will be managed through the Budget process.

	2027/28	2028/29	2029/30	2030/31
Employer superannuation contribution tax revenue	0	(41.0)	(174.0)	(317.5)
Paid Parental Leave top up	0	24.6	29.6	35
Net	0	(16.4)	(144.4)	(282.5)

Investing in our future

A stronger KiwiSaver means more wealth in Kiwi hands, and more capital invested in our economy.

It will help people plan for the future while backing businesses, creating good jobs and growing our economy.

Labour will phase in these changes carefully, giving people and businesses certainty.

Backing Kiwis to save and backing the businesses that will grow our economy.