



BUYING YOUR FIRST-HOME WITH KIWISAVER



KIWISAVER – HELPING YOU INTO HOME OWNERSHIP

KiwiSaver is a voluntary, work-based savings initiative to help you with your long-term saving for retirement. It has a range of membership benefits including contributions from your employer and the Government, as well as help with buying your first home.

KiwiSaver has two features to help you buy your first home. The KiwiSaver first-home deposit subsidy, and the KiwiSaver first-home withdrawal. Both of these features can also be used to help with the overall deposit when buying land to build a house on. Members of complying funds and exempt employer schemes may also be eligible.

You should contact your complying fund trustees to find out if this is possible.

If you are a previous home owner but in a similar financial position to a first-home buyer, you may also be eligible for both features.

The deposit subsidy is administered by Housing New Zealand Corporation and the savings withdrawal by your scheme provider. Housing New Zealand’s role in the savings withdrawal is to determine if you qualify as a previous home owner.

See the diagram below to determine what will be best for you and where to look in this booklet for more information.

<p>I am a first home buyer</p>	<p>I want to apply for the first-home deposit subsidy. Apply to Housing New Zealand. See page 4 to find out how.</p>	<p>I want to apply for savings withdrawal. You apply through your scheme provider. See page 7 to find out how.</p>
<p>I am a previous home owner</p>	<p>I want to apply for the first-home deposit subsidy. You apply to Housing New Zealand and Housing New Zealand determines if you are in the same position as a first home buyer. See page 6 to find out how.</p>	<p>I want to apply for savings withdrawal. You apply through your scheme provider, but first you need Housing New Zealand to determine if you are in the same position as a first home buyer. See page 8 to find out how.</p>



We recommend that before you apply for a deposit subsidy or a savings withdrawal, you re-familiarise yourself with KiwiSaver. It would be helpful to check what type of scheme you belong to, who your scheme provider is, how long you have been contributing to the scheme and how much you have been contributing. This will help with your

application for a deposit subsidy and savings withdrawal. You can talk to your employer, check any statements you may have received from your provider, or talk to KiwiSaver direct on **0800 549 472**.

If you are not a member of KiwiSaver either call **0800 549 472**, or visit www.kiwisaver.govt.nz

KIWISAVER FIRST-HOME DEPOSIT SUBSIDY

How does the deposit subsidy work?

- After three years of regularly contributing to KiwiSaver you may be entitled to the deposit subsidy.
- You can apply for the deposit subsidy if you have belonged and contributed to a KiwiSaver scheme, complying fund or exempt employer scheme for at least three years.
 - The subsidy is \$1,000 for each year of contribution to the scheme:
 - 3 years of contributing = \$3,000 (the minimum you can get)
 - 4 years of contributing = \$4,000
 - 5 years of contributing = \$5,000 (the maximum you can get)
- You can use the deposit subsidy if you are buying a house, or land to build a home on.

There is a maximum amount on how much the home and land combined can cost. There are other eligibility criteria to meet, see page 5 for more details.
- Housing New Zealand will pay the deposit subsidy directly to your solicitor settling the purchase of the house or land on settlement day. Please note that the subsidy cannot be paid out after the settlement has occurred, therefore if you do not submit your application within the stipulated timeframes, you may not be entitled to the subsidy.
- Applications should be sent to Housing New Zealand no later than four weeks prior to the settlement.
- If you live in the house you have bought for a minimum of six months, the subsidy is yours to keep. If you move out before six months, you will be required to pay the subsidy back.
- You can also buy a property with other people even if they are not KiwiSaver members. You may all qualify for a deposit subsidy, if they are members.
- You can only receive the deposit subsidy once.

WHAT DO I NEED TO DO TO APPLY FOR THE DEPOSIT SUBSIDY?

Step one: Check you are eligible for the deposit subsidy

- I am 18 years or over.
- I have not received the deposit subsidy before.
- I am a member of a KiwiSaver scheme, complying fund or exempt employer scheme (contact your scheme provider to check your scheme is eligible).
- I have contributed at least the minimum percentage of my income to a KiwiSaver scheme, complying fund or exempt employer scheme for at least three years. (From 1 July 2007 to 31 March 2009 the minimum contribution was 4 percent of your income, 4 percent of minimum wage for non-earners or 4 percent of your yearly benefit for beneficiaries. From 1 April 2009, the minimum contribution was reduced to 2 percent of your income, 2 percent of minimum wage for non-earners or 2 percent of your yearly benefit for beneficiaries).
- I have earned a combined household yearly income of **\$100,000**, in the last 12 months, or less (before tax) for one or two buyers.
- I have earned a combined household yearly income of **\$140,000**, in the last 12 months, or less (before tax) for three or more buyers.
- I am buying one of the following types of property and land arrangements:
 - fee simple
 - stratum estate freehold and leasehold
 - cross-lease (freehold and leasehold)
 - leasehold.(For more information on these property types - read the glossary at the back of this booklet, contact Housing New Zealand or talk to your lawyer.)

Step two: Check that the house you want to buy is also eligible

If you are buying a house, the house also needs to meet the following criteria. (If you are buying land to build on, ignore this step, and go to Step three).

- It will be my only house. (You cannot own any other houses).
- The house is within the maximum house price caps. The house price caps are **\$400,000** for Auckland, Wellington City (note this does not include Porirua City, Kapiti Coast, Hutt City and Upper Hutt City areas), Selwyn District and Queenstown Lakes District and **\$300,000** for all other areas. If the house costs more than these caps, you will not be able to receive a deposit subsidy.
- I am planning to live in the house I buy. (The deposit subsidy cannot be used to buy an investment property.)

Step three: If you are buying land and planning to build a house on it, check you meet the following criteria

Please note this does not apply if you are buying an already built house. Only use this step if you are buying land to build on.

- I will live in the house for at least six months.
- I will have the house built within 12 months of purchase of the land. (You will need to supply a code compliance certificate to show that this has been done.)
- I will have funding for the construction of the building.
- I can provide the constructions costs for the building of the property with my application for the deposit subsidy.
- The total cost of both the land and the house is within the house price caps. The house price caps are **\$400,000** for Auckland, Wellington City (note this does not include Porirua City, Kapiti Coast, Hutt City and Upper Hutt City areas), Selwyn District and Queenstown Lakes District and **\$300,000** for all other areas.
- The land or site is ready to build on.

Step four: Apply to Housing New Zealand

If you meet the conditions of the steps above, there are two ways to apply, depending on your circumstances.

1. Apply for a pre-approval if you have not found a house or land to build on, but want to find out if you are eligible before you start house/land hunting. The pre-approval expires after 180 days.
2. Skip that process and apply for the deposit subsidy directly if you have already found a house or land, and have a sale and purchase agreement. You can apply for both pre-approval or the deposit subsidy directly on the application form. Please note that Housing New Zealand requires at least four weeks from submitting an application through to paying out the deposit subsidy to your lawyer.
3. Applications submitted for the deposit subsidy with a signed sale and purchase agreement must be submitted at least four weeks prior to settlement date. Applications that do not provide the required four weeks notice, may not be accepted and therefore the deposit subsidy may not be paid out. The subsidy will not be paid out after settlement has occurred.

If you would like an application form or more information:

- Visit www.hnzc.co.nz/kiwisaver
- Call 0508 935 266
- Email kiwisaver.firsthome@hnzc.co.nz



I'm a previous home owner – can I still get the deposit subsidy?

If you are a previous home owner but in a similar financial position to a first-home buyer, in terms of income and realisable assets, you may still be eligible for the deposit subsidy. Housing New Zealand will determine this.

You will need first to meet the general criteria for the deposit subsidy – these are in steps one to three on pages 4 and 5. If you do qualify, then run through the checklist below – this only applies to previous home owners.

- I have not received the first-home deposit subsidy before.
- I do not have realisable assets totalling more than 20 percent of the house price cap for the area I am buying in. Realisable assets are belongings that you can sell to help buy a home. For example if you were buying a house in the \$300,000 cap area, your realisable assets cannot be worth more than \$60,000. Housing New Zealand considers the following to be realisable:
 - Money in bank accounts (including fixed and term deposits)
 - Shares, stocks and bonds
 - Investments in banks or financial institutions
 - Any money paid to, or held by the real estate agent as a deposit on a home
 - Net equity in property or land (not being used as your home)
 - Boat or caravan (if the value is over \$5,000)
 - Other vehicles (such as classic motorbikes or cars – not being used as your usual method of transport)
 - Other assets valued over \$5,000.

How do I apply?

Applying as a previous home owner is the same as for first-home buyers. There is just an extra section on the application form to complete detailing any realisable assets you may have.

If you would like an application form or more information:

- Visit www.hnzc.co.nz/kiwisaver
- Call 0508 935 266
- Email kiwisaver.firsthome@hnzc.co.nz

KIWISAVER FIRST-HOME WITHDRAWAL

How does the first-home withdrawal work?

- If you have been a member of KiwiSaver for at least three years, you may be able to withdraw all, or part, of your savings to put towards buying your first home.
- Government contributions are not paid out in the first-home withdrawal. This includes the \$1,000 kick-start when you first join.
- You must intend to live in the property. It cannot be used to buy an investment property.

- If you are a member of a complying fund, you may be able to withdraw your savings to help you buy your first home. Not all complying funds permit withdrawals for this purpose, so you will need to discuss this with the trustees of your complying fund.

What do I need to do to apply for a first-home withdrawal?

If you are a first-home buyer, please contact your KiwiSaver or complying fund provider to apply. If you are a previous home owner you will still need to apply through your scheme provider, however Housing New Zealand will need to determine whether you meet the eligibility criteria (see page 8).



I'm a previous home owner – can I still get the first-home withdrawal?

As a previous home owner you may still be eligible for a savings withdrawal. You will still have to apply through your scheme provider, however, first you need Housing New Zealand to determine whether you are eligible as a previous home owner.

Run through the checklist below to see if you qualify

- I have not received the savings withdrawal before.
- I have been a member of KiwiSaver for at least three years
- I have previously owned a home, but no longer have a share in a property.
- I do not have realisable assets totalling more than 20 percent of the house price cap for the area I am buying in. Realisable assets are belongings that you can sell to help buy a house. For example if you were buying a house in the \$300,000 house price cap area, your realisable assets cannot be worth more than \$60,000. Housing New Zealand considers the following to be realisable assets:
 - Money in bank accounts (including fixed and term deposits)
 - Shares, stocks and bonds
 - Investments in banks or financial institutions
- Any money paid to, or held by the real estate agent as a deposit on a home
- Net equity in property or land (not being used as your home)
- Boat or caravan (if the value is over \$5,000)
- Other vehicles (such as classic motorbikes or cars – not being used as your usual method of transport)
- Other assets valued over \$5,000.
- I have earned a combined household income of **\$100,000** or less (before tax), in the last 12 months for one or two buyers.
- I have earned a combined household yearly income of **\$140,000** or less (before tax), in the last 12 months for three or more buyers.

To get Housing New Zealand to determine whether you are eligible, complete an application form. You can use the same form as the deposit subsidy – just tick the box for the savings withdrawal.

If you would like an application form or more information:

- Visit www.hnzc.co.nz/kiwisaver
- Call 0508 935 266
- Email kiwisaver.firsthome@hnzc.co.nz



OTHER HOME OWNERSHIP ASSISTANCE

You may be able to use the Welcome Home Loan product for a home loan with the KiwiSaver home ownership features. To find out more about the Welcome Home Loan call **0508 935 266** or visit **www.welcomehomeloan.co.nz**

You may also be able to use the Kāinga Whenua loan to own a home on multiple-owned Māori land. For more information about Kāinga Whenua call **0508 935 266** or visit **www.hnzc.co.nz**



KIWISAVER HOME OWNERSHIP FEATURES – QUICK GLOSSARY

KiwiSaver first-home deposit subsidy (deposit subsidy)

You need to have been contributing regularly for a minimum of three years in a KiwiSaver scheme, complying fund, or exempt employer scheme to be eligible for the deposit subsidy. The subsidy is payment of \$1,000 for each year of contribution to your KiwiSaver scheme, complying funds or exempt employer scheme up to a maximum of \$5,000, after you have contributed for five years. See this booklet for the conditions that you have to meet to be eligible for the deposit subsidy.

KiwiSaver first-home withdrawal (savings withdrawal)

You need to have been in a KiwiSaver scheme or complying fund for a minimum of three years. The savings withdrawal allows you to withdraw all, or part, of your savings to put towards buying your first home. Government contributions are not paid out in the savings withdrawal. This includes the \$1,000 kick-start when you first join. See this booklet for the conditions that you have to meet to be eligible for the savings withdrawal.

KiwiSaver scheme

Retirement savings scheme providing members with a \$1,000 kick start and annual member tax credits from Government. Members choose to pay 2 percent, 4 percent or 8 percent of salary or wages and the employer is required to pay 2 percent. The scheme name will include the word KiwiSaver.

Complying fund

A registered employer sponsored superannuation fund which allows members to choose to lock in 2 percent, 4 percent or 8 percent of their salary into an account which can only be accessed on the same terms as for a KiwiSaver scheme. The member may also continue to contribute to an unlocked account. You do not get a \$1,000 kick start contribution from the Government when you sign up.

Not all complying funds permit withdrawals for the purpose of buying your first home. So you will need to discuss with the trustees of your complying fund.

Exempt employer scheme

An employer sponsored superannuation scheme which does not require a member to lock in any member contributions as required by KiwiSaver schemes but does provide members with access to the deposit subsidy. New employees will be offered this scheme instead of KiwiSaver when they join the employer. They do not get the Government \$1,000 kick start contribution or annual member tax credits.

First-home buyer(s)

First-home buyer(s) is an individual or group of individuals who have not owned a house before.

Previous home owner

An individual or group of individuals who have previously owned a house/land. They may be eligible for the deposit subsidy and savings withdrawal if they meet certain conditions regarding their ownership of assets and their level of income.

Minimum contributions

A minimum contribution is the lowest percentage of your income or benefit that you can contribute to your KiwiSaver and qualify for the deposit subsidy.

From 1 July 2007 to 31 March 2009 the minimum contribution was 4 percent of your income, 4 percent of minimum wage for non-earners or 4 percent of your yearly benefit for beneficiaries. From 1 April 2009, the minimum contribution was reduced to 2 percent of your income, 2 percent of minimum wage for non-earners or 2 percent of your yearly benefit for beneficiaries.

The contribution periods may change. For example you may have been a paid employee for one year, and then self-employed for two years. This is acceptable as long as you were contributing the minimum contribution during both those periods, and they both add up to at least three years. This three year period can be longer than a calendar period, but must add up to three years.

Fee simple title

Owners of the land are entitled to unrestricted use of the land and may dispose of the land in any way they wish (subject to the relevant laws).

Stratum estate freehold and leasehold title

Common type of ownership for apartments. An undivided portion of a larger property is owned collectively and a smaller portion (the apartment or unit) is owned exclusively.

Cross-lease (freehold and leasehold) title

Ownership of the land is shared and each owner leases their house from the other landowners. The cross lease agreement outlines the rights and obligations of the each owner.

Leasehold land title

The owner of the land with a fee simple title enters into a legal agreement (lease) to transfer the right to use the land to another person for a certain amount of time. The lease will detail the conditions including payment of rent to the landowner and the lease may be registered against the land title.

Pre-approval

Pre-approval happens if you have not found a house or land to build on, but want to find out if you are eligible before you start house/land hunting. Pre-approval is valid for 180 days.

Realisable assets

Realisable assets are belongings that you can sell to help buy a house. This can include savings, shares, land, boats and motor vehicles. See page 6 for a list of items that Housing New Zealand considers to be realisable assets and can affect an application from a previous home owner.

Code compliance certificate

A code compliance certificate is a certificate under the Building Act that shows that building work has been completed against an application of a building consent – you have built what you have said you would build.





To find out more about buying your first home with KiwiSaver, call 0508 935 266, visit www.hnzc.co.nz/kiwisaver or email kiwisaver.firsthome@hnzc.co.nz.

The information contained in this brochure is intended to help you understand the KiwiSaver deposit subsidy and KiwiSaver savings withdrawal and is indicative only. It is not intended to address the specific circumstances of any particular individual or entity. All reasonable steps have been taken to ensure the quality and accuracy of the information. The eligibility criteria or other policies applicable to the deposit subsidy or savings withdrawal may be changed, deleted, added to or otherwise amended without notice. The information contained in this brochure should not be construed as legal or professional advice and you should take advice from qualified professional people.

New Zealand Government

Housing New Zealand
Housing New Zealand Corporation