

# Significant financial hardship fact sheet

## About this fact sheet

This fact sheet will assist you with applying for a significant financial hardship withdrawal.

Please take time to read it very carefully and refer to it when completing your significant financial hardship application form.

## Who can apply?

You can apply for a significant financial hardship-based withdrawal from your Locked-In Accounts in the Fund if the Trustee is reasonably satisfied that you are suffering (or are likely to suffer from) significant financial hardship, and that reasonable alternative funding sources have been explored and exhausted such that the withdrawal is necessary to alleviate that hardship.

For Fund purposes, significant financial hardship mirrors the definition in the KiwiSaver Act 2006. This includes significant financial difficulties that arise or are likely to arise because of:

- you being unable to meet minimum living expenses; or
- you being unable to meet mortgage repayments on your principal family residence, resulting in the mortgagee seeking to enforce the mortgage; or
- the cost of modifying a residence to meet special needs arising from your disability or a dependant's disability; or
- the cost of medical treatment for illness or injury to you or one of your dependants; or
- the cost of palliative care for you or one of your dependants; or
- the cost of a funeral for one of your dependants; or
- you suffering from a serious illness (as defined by the KiwiSaver Act 2006).

You can read the KiwiSaver Act 2006 online at:  
[www.legislation.govt.nz](http://www.legislation.govt.nz).

For your application to be considered, you must:

- be experiencing (or likely to experience) significant financial difficulties;
- have fully completed the application form by answering all questions;
- have provided all of the supporting documents;
- have your application form and information in the supporting documents matching each other;
- complete the statutory declaration contained in the application form.

A copy of the form 'Application to withdraw funds from a Locked-In Account on the grounds of significant financial hardship' is available on the Documents & forms page of [www.nzasretirementfund.com](http://www.nzasretirementfund.com). Alternatively call the Fund helpline (NZ 0508 266 787, Australia 03 8687 1849 or international +61 3 8687 1849) and they will email or post you a copy.

Please note, the Trustee must be satisfied that you have explored and exhausted reasonable alternative sources of funding to relieve your financial hardship before considering your application and may require further financial information.

This is an overview of how the process works.

## STAGE ONE: COMPLETE AN INITIAL SELF-ASSESSMENT

Quickly check whether you meet the requirements set out earlier in this fact sheet. This will help you to decide whether or not to submit an application.

For example, if you are applying under the minimum living expenses criterion, any discretionary spending such as entertainment is not generally considered to be part of your minimum living expenses and may mean that you therefore do not satisfy the financial hardship criteria.

## STAGE TWO: SUBMIT AN APPLICATION

Complete and send us an application form.

First, please indicate under which criteria you are submitting your significant financial hardship application.

You will need to provide us information about your income, expenses and how you meet the specific requirements for significant financial hardship; for example which minimum expenses you cannot meet.

When your form is completed, post it together with the correct supporting documents to:

The Fund Secretary, NZAS Retirement Fund, Mercer (N.Z.) Limited, PO Box 1849, Wellington 6140.

## Supporting documents

Documentation required to enable the Trustee to validate the information you have provided in your significant financial hardship application form should include the following items:

- Copies of the three most recent monthly bank statements for all your bank accounts and all your credit cards. These will be used to verify information you provided in the form.
- A budget statement, from a budgetary service which you have used. This helps to show that you have taken steps to alleviate your hardship before applying for a financial hardship withdrawal. **If you are unable to provide satisfactory evidence of having taken budgetary advice, your application may be declined.**

- For any outstanding loans, hire purchase and other debts, you must provide documents such as statements or letters showing the total outstanding amounts, any arrears, details of regular repayments and the term of the loan.
- Additional documents, such as outstanding bills or demands for payment, will also be required as supporting evidence if these have been mentioned in your application.

Until all these documents are received we will not be able to forward your application to the Trustee for consideration. Information in support of your application can either be originals or copies.

## STAGE THREE: WE CHECK YOUR APPLICATION

When we receive your application, we will check it to ensure that all relevant details have been completed and all supporting documents have been enclosed.

**If any information is found to be incomplete or missing we may return the application to you for updating before we send it to the Trustee for consideration.**

## STAGE FOUR: WE SEND YOUR APPLICATION TO THE TRUSTEE

All significant financial hardship applications are submitted to the Trustee on an as received basis.

After checking the information you have provided, the Trustee will proceed with a careful assessment of your application.

Checking will involve assessing whether your application satisfies the significant financial hardship criteria you have indicated.

If any information is found to be incorrect or incomplete the Trustee may choose not to consider your application.

**If, during the application process, your circumstances change, you must notify the Trustee immediately in writing.**

## STAGE FIVE: DECISION-MAKING

The Trustee has discretion as to whether or not to approve your application and, if so, the amount that may be withdrawn from your Locked-In Accounts.

The Trustee will assess your application for a withdrawal against the requirements of the KiwiSaver Act 2006 and particularly on whether you are able to demonstrate you meet significant financial hardship criteria.

The Trustee may require additional information if they consider the information supplied is insufficient to enable them to make a decision.

Please allow time for the receipt, checking and assessing of your application form. We recommend you wait at **least 15 working days**, after which if you have not heard from us, call NZ 0508 266 787, Australia 03 8687 1849 or international +61 3 8687 1849.

## STAGE SIX: OUTCOME

**If your application is approved**, you will receive a letter advising you of this and your payment will be transferred into your personal New Zealand bank account.

The Trustee may limit the amount of your withdrawal if in the Trustee's opinion a lesser amount will be enough to alleviate your financial hardship.

**If your application is declined**, you will receive written confirmation of the Trustee's decision.

## THE PROCESS

This section provides information on how to complete the steps included in the significant financial hardship application form.

**IMPORTANT:** You need to answer all relevant questions and include all supporting evidence. The information required is summarised in the checklist on the final page of the significant financial hardship application form. If you do not complete all relevant fields in the form or include all supporting evidence, your application will be returned.

### COMPLETING STEP 1

Complete all of the information in this step. Please provide a day time phone number if possible, so that you can be contacted if necessary.

### COMPLETING STEP 2

You can withdraw all or a part of:

- Your contributions
- Your employer contributions

You can't withdraw Government contributions (also referred to as member tax credits) that have built up over time, although it is possible to withdraw positive investment earnings on those contributions.

Tick to confirm that you have enclosed a bank encoded deposit slip for a New Zealand bank account in your name.

### COMPLETING STEP 3

This is where you need to provide all the information about what you own (assets) and what you owe (liabilities). Please include as much detail as possible and ensure that the figures are added for your assets and liabilities, as well as at the end.

**The figures you provide will be checked against the supporting information and if these do not match the application form will be returned to you.**

The Trustee may request other supporting information when they are considering your application.

**If you have questions about any of the information in this fact sheet**, call NZ 0508 266 787, Australia 03 8687 1849 or international +61 3 8687 1849.

This document has been prepared by Mercer (N.Z.) Limited on behalf of the Trustee of the NZAS Retirement Fund. The information in this document is intended for general guidance only and is not personalised to you. It does not take into account your particular financial situation or goals. It is not financial advice or a recommendation.

### COMPLETING STEP 4

Enter all income that you receive from all sources and include income received by your partner or spouse.

### COMPLETING STEP 5

Provide details of all of your monthly expenses. Your expenses must match the supporting documents such as bank statements.

If some of your expenses fall outside of the categories listed in this step, please include them as *other* and specify what they are.

Annual expenses will need to be divided by 12, to provide a monthly amount.

**All calculations including the total must be done by you. If for example, total amounts are not completed, the form may be returned to you.**

### COMPLETING STEP 6

All relevant information which supports your case for a significant financial hardship benefit must be provided in this step or as supporting evidence. Please explain in as much detail as possible why in your opinion you are experiencing (or are likely to experience) significant financial hardship and what you have done so far to resolve it.

**The Trustee must be reasonably satisfied that reasonable alternative sources of funding have been explored and exhausted.**

### COMPLETING STEP 7

The declaration must be signed by you, in front of a person who is authorised to do so by law, such as a Justice of the Peace, notary public or lawyer.