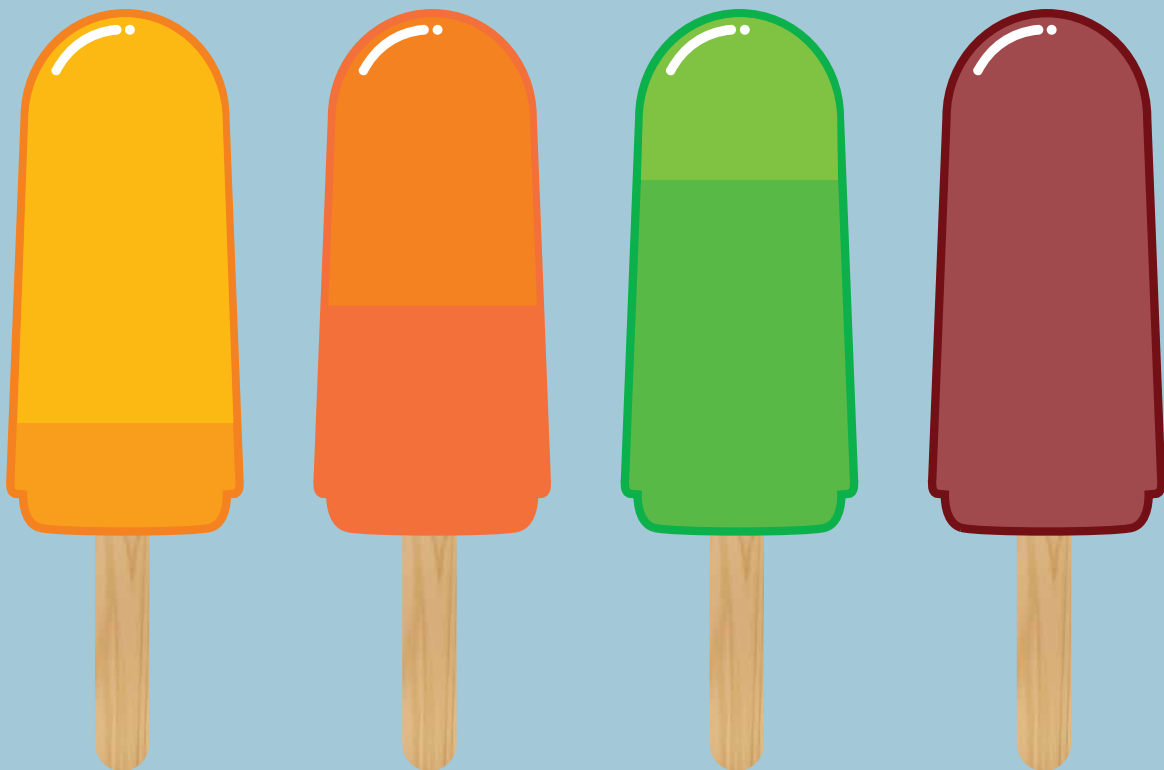


# Your Choices

This booklet explains the choices available to new members. It's just the information you need to get started. At any time, you can find answers to questions you have about UniSaver on our website, or contact our helpline.



# Participating employers

UniSaver is an employer-sponsored superannuation scheme. Membership is available to eligible permanent and fixed-term employees of:

Academic Quality Agency for New Zealand  
Auckland Uniservices Limited  
Lincoln Agritech Limited  
Lincoln Hospitality Limited  
Lincoln University  
Massey University  
The New Zealand Vice-Chancellors' Committee  
The University of Auckland  
University of Canterbury  
University of Otago  
The University of Waikato  
Victoria Link Limited  
Victoria University of Wellington

The information provided in this booklet is of a general nature only and is not intended as financial advice. It does not take into account your personal objectives, financial situation or needs. Your manager, HR/payroll representative or superannuation officer can give you information about UniSaver, but they cannot give you financial advice. Before making financial or investment decisions, you may wish to contact an authorised financial advisor.

UniSaver Limited (we, our or us) is the issuer of UniSaver.

Our product disclosure statement contains important information about this investment. It is available at [unisaver.co.nz](http://unisaver.co.nz) and [companiesoffice.govt.nz/disclose](http://companiesoffice.govt.nz/disclose) where you will find other useful information about this offer.

Every care has been taken in the preparation of this booklet. However, it is a summary only of what you need to do when you first join UniSaver. If there is ambiguity or discrepancy between this booklet and UniSaver's trust deed, the trust deed will be the final authority.

## Four choices

This booklet goes hand in hand with the UniSaver product disclosure statement (PDS). Use it as a guide to help you complete the application form (included at the back of the PDS). It explains the choices you need to make when you join UniSaver.

You will need to:

- ① check you can join UniSaver and what employer contributions you are eligible to receive
- ② decide whether you wish to join the locked section, which offers features and benefits similar to KiwiSaver<sup>1</sup>
- ③ select what percentage of your salary you would like to contribute
- ④ choose how you want your savings invested.

Remember, you can find answers to your questions at any time at [unisaver.co.nz](https://www.unisaver.co.nz). You can also call or email the helpline. See the back cover for contact details.



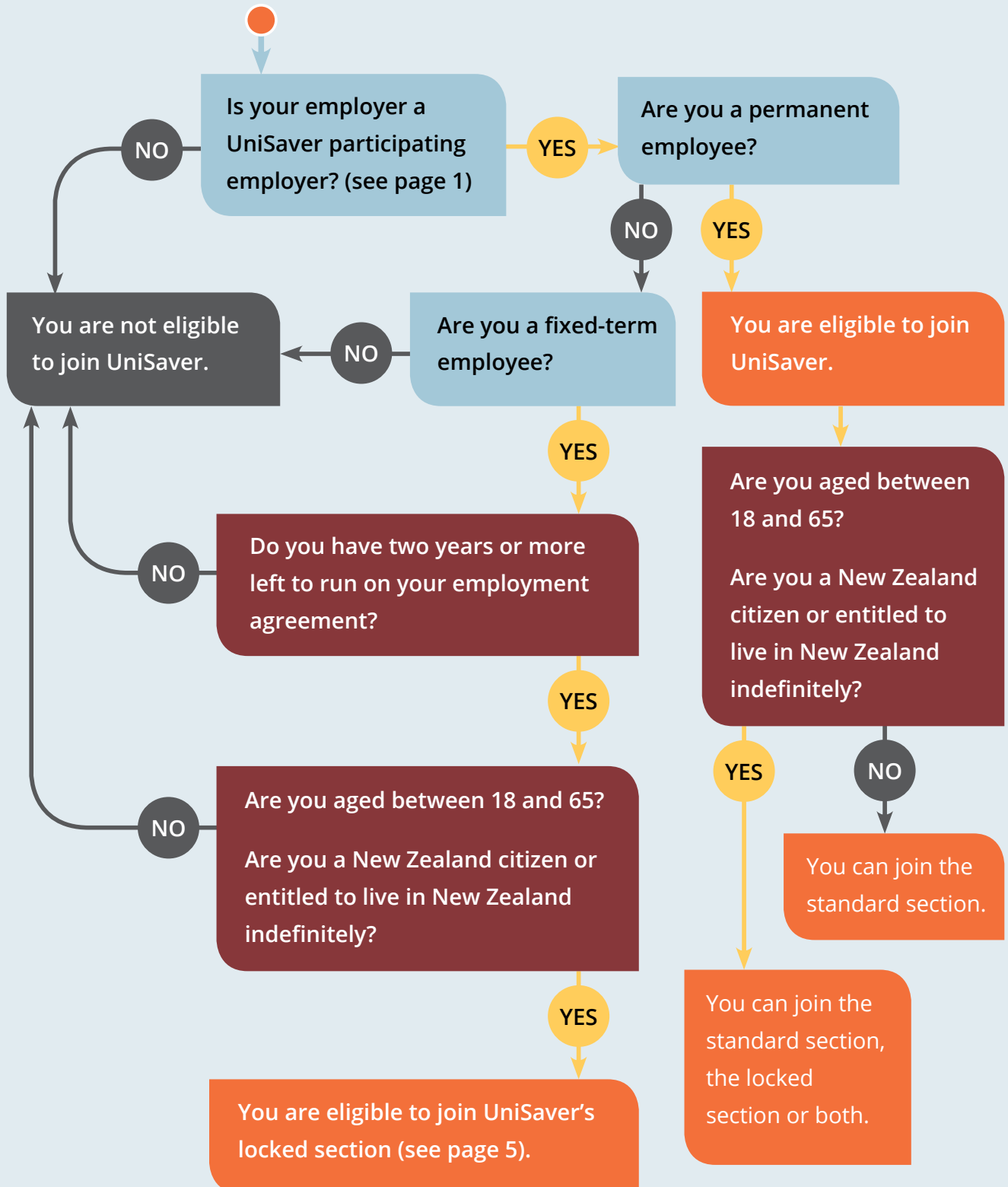
<sup>1</sup> The locked section is a complying superannuation fund, which means it can offer some KiwiSaver benefits because it complies with rules like KiwiSaver.

# Eligibility

## Can you join UniSaver?

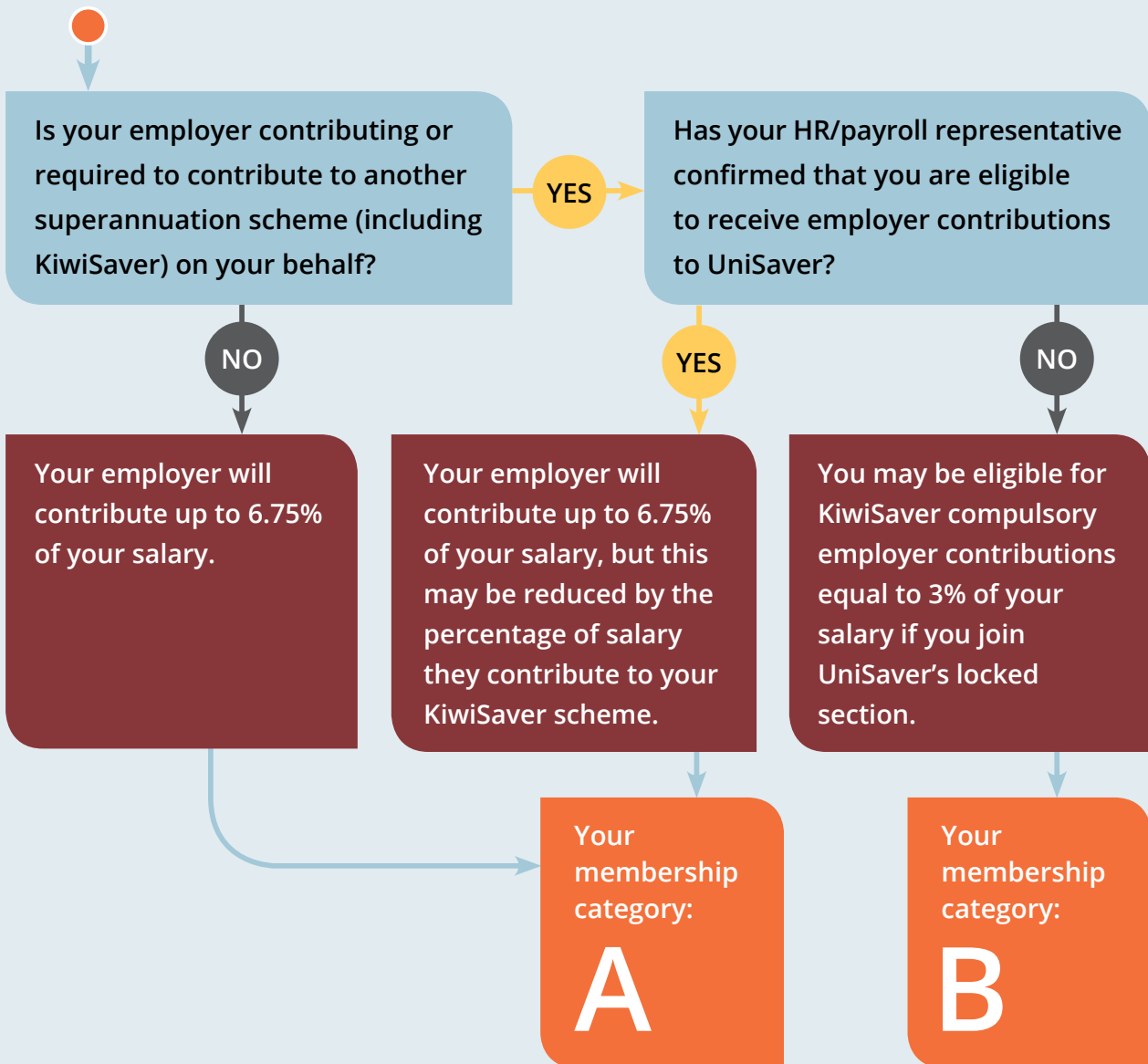
You are eligible to join UniSaver if you are a permanent part-time or full-time employee of a participating employer. You may also be able to join if you are a fixed-term employee. Fixed-term employees can only participate in UniSaver's locked section.

Use this diagram to see if you can join UniSaver.



## Employer contributions and your membership category

Use the following diagram to work out what employer contributions you are eligible to receive in addition to your own contributions to UniSaver. This will affect your contribution options detailed on pages 7 and 8.



The employer subsidy of 1.35 times your contributions up to 6.75% of salary applies to eligible permanent and fixed-term employees. Different employer contribution rates can be agreed between you, your employer and the trustee. Your employer may continue to contribute on your behalf from age 65 at its discretion.

### Total remuneration agreements

If you are employed under a total remuneration agreement entered into after 13 December 2007, it is possible that any employer contributions may (with the trustee's consent) be paid from, not on top of, your salary. Talk to your manager, HR/payroll representative or superannuation officer about your options if you are on a total remuneration agreement.

Talk to your manager, HR/payroll representative or superannuation officer if you have questions about your eligibility to join UniSaver or to receive employer contributions.

# Decide whether you want to join the locked section

## Two ways to save

UniSaver is split into two sections – the standard section and the locked section, which works much like KiwiSaver.

To join the locked section, you need to be:

- a New Zealand citizen or be entitled to live in New Zealand indefinitely
- aged between 18 and 65.

## Permanent employees

You can choose to contribute to the standard section **and/or** the locked section.

## Fixed-term employees

You are only eligible to join the locked section.

## How it works

The two sections of UniSaver have different rules and advantages.

When you join UniSaver, accounts are set up in your name.

UNISAVER			
<b>Standard section</b> <ul style="list-style-type: none"> <li>• Contributions to this section don't qualify for member tax credits.</li> <li>• You can withdraw your money when you leave your employer.</li> </ul>		<b>Locked section</b> <ul style="list-style-type: none"> <li>• Contributions qualify for member tax credits up to \$521.43 a year (from age 18 to 65).</li> <li>• You generally won't be able to access your savings in the locked section until you qualify for New Zealand Superannuation (currently age 65). It could be later if you're over 60 when you join.</li> </ul>	
<b>Member standard account</b> This is for your contributions to the standard section.	<b>Employer standard account</b> This is for any contributions your employer makes on your behalf to the standard section.	<b>Member locked account</b> This is for your contributions to the locked section (and any member tax credits).	<b>Employer locked account</b> This is for any contributions your employer makes on your behalf to the locked section.

## The locked section offers extra money on top of your member and employer contributions

The locked section provides member tax credits in exchange for locking in contributions in the same way as KiwiSaver. As long as you contribute at least \$1,042.86 per year to the locked section, you will receive an extra \$521.43 each year from the Crown.<sup>2</sup>

### Category A members

	MEMBER CONTRIBUTIONS		EMPLOYER CONTRIBUTIONS AFTER CONTRIBUTION TAX		MEMBER TAX CREDIT (ROUNDED)	TOTAL ANNUAL CONTRIBUTIONS
	Member standard account	Member locked account	Employer standard account	Employer locked account	Member locked account	
Standard section	\$3,000	–	\$2,835	–	–	\$5,835
Standard and locked section	\$1,200	\$1,800	\$1,575	\$1,260	\$521	\$6,356

Assumptions: Category A member (permanent employee) on salary of \$60,000 contributing 5% of salary in order to get the maximum employer subsidy of 6.75%. Minimum member and employer contributions of 3% to locked section with balance paid to standard account. Employer superannuation contribution tax rate 30%.

### Category B members

Your employer doesn't contribute to your savings in the standard section if you're a category B member. However, they will be required to contribute 3% of salary to your savings in the locked section if they are not already contributing to KiwiSaver for you. That's extra money in addition to the member tax credit.

	MEMBER CONTRIBUTIONS		KIWISAVER COMPULSORY EMPLOYER CONTRIBUTIONS AFTER CONTRIBUTION TAX		MEMBER TAX CREDIT (ROUNDED)	TOTAL ANNUAL CONTRIBUTIONS
	Member standard account	Member locked account	Employer standard account	Employer locked account	Member locked account	
Standard section	\$3,000	–	–	–	–	\$3,000
Standard and locked section	\$1,200	\$1,800	–	\$1,260	\$521	\$4,781

Assumptions: Category B member (permanent employee) on salary of \$60,000 contributing 5% of salary. Minimum member and KiwiSaver compulsory employer contributions of 3% to locked section with balance paid to standard account. Employer superannuation contribution tax rate 30%.

### Things you should know

- You generally won't be able to access your savings in the locked section until the date you would ordinarily qualify for New Zealand Superannuation (currently age 65). It could be later depending on when you sign up – you need to have completed five years' membership of the locked section (or another complying superannuation fund or KiwiSaver scheme).
- You may be able to withdraw your savings earlier if you emigrate permanently or suffer serious illness.
- After three years' membership, you may be able to withdraw your savings to put towards a deposit on your first home. This benefit is available to members of both sections of UniSaver (that is, both the standard and locked sections and covering both member and employer contributions).

<sup>2</sup> The benefits (including member tax credits) are determined by the Government, so these may change in the future.

## Decide how much you will contribute

Now you need to decide what percentage of your salary you would like to contribute.<sup>3</sup> Skip to the option below that matches your employment arrangement, membership category and whether you plan to contribute to one section of UniSaver or both.

You can change your regular contributions from your salary at any time subject to the minimum contribution rates set out here. If you're a permanent employee, you can join the locked section at any time if you don't choose to join now.

### PERMANENT EMPLOYEES

#### Category A member

- You can contribute any multiple of 0.5% of your salary with a minimum of 3%. There is no upper limit.
- Your minimum contributions may increase to 4% of your salary if your employer is not contributing at least 1% of your salary. This could occur if your employer is already contributing to a KiwiSaver scheme for you.
- Your employer will contribute 1.35 times your contributions up to a maximum of 6.75%. You need to contribute 5% of your salary to gain the maximum employer subsidy.
- If you choose to join the locked section also:
  - you must direct at least 3% of your salary to your member locked account (in multiples of 0.5%), with the balance (if any) paid to your member standard account
  - your employer will match your regular contributions to the locked section, with the balance paid to your employer standard account.
- You can choose to join the locked section only. If you do, all your contributions and your employer contributions will be paid to your locked accounts.

#### Category B member

- You can contribute any multiple of 0.5% of your salary with a minimum of 4%. There is no upper limit.
- Your employer won't contribute to your savings unless you join the locked section.
- If you choose to join the locked section also:
  - you must direct at least 3% of your salary to your member locked account (in multiples of 0.5%), with the balance (if any) paid to your member standard account
  - your employer is required to contribute 3% to your employer locked account unless they are already contributing to a KiwiSaver scheme for you
  - your minimum contributions decrease to 3% if your employer is making compulsory contributions of 3% to your UniSaver employer locked account.
- You can choose to join the locked section only. If you do, all your contributions and your employer contributions will be paid to your locked accounts.

The employer contribution entitlements outlined in this section may reduce if your employer is contributing or required to contribute to a KiwiSaver scheme for you.

Different employer contribution rates can be agreed between you and your employer.

<sup>3</sup> For the purposes of UniSaver, salary is your remuneration from your employer, excluding overtime, bonuses, penal payments or other allowances.



## FIXED-TERM EMPLOYEES

### Category A member

- You can contribute any multiple of 0.5% of your salary with a minimum of 3%. There is no upper limit.
- Your minimum contributions may increase to 4% of your salary if your employer is not contributing at least 1% of your salary. This could occur if your employer is already contributing to a KiwiSaver scheme for you.
- Your employer will contribute 1.35 times your contributions up to a maximum of 6.75%. You need to contribute 5% of your salary to gain the maximum employer subsidy.
- All your contributions will be paid to your member locked account.
- All employer contributions will be paid to your employer locked account.

### Category B member

- You can contribute any multiple of 0.5% of your salary with a minimum of 4%. There is no upper limit.
- All your contributions will be paid to your member locked account.
- Your employer is required to contribute 3% of your salary to your employer locked account unless they are already contributing to a KiwiSaver scheme for you.
- Your minimum contributions decrease to 3% if your employer is making compulsory contributions of 3% to your UniSaver employer locked account.

## Tax on your member contributions

Member contributions are calculated on your before-tax salary but deducted from your after-tax income. This means member contributions are deducted from your pay after tax.

## Tax on your employer contributions

Contribution tax is deducted from employer contributions before they are credited to your account. The amount of tax varies depending on the total amount of:

- your taxable income in the prior tax year (or an estimate of your income if you have worked for less than a year)
- the employer contributions (including tax deducted) you received in the prior tax year.

The contribution tax rates are:

TOTAL INCOME PLUS EMPLOYER CONTRIBUTIONS	TAX RATE (%)
Up to \$16,800	10.5
Between \$16,801 and \$57,600	17.5
Between \$57,601 and \$84,000	30.0
Over \$84,001	33.0

## Choose how you want your savings invested

### Things to think about

The best investment strategy for you will depend on a number of factors. Here are some things to think about before you make a decision.

#### When are you likely to need your super?

This is the critical issue when you decide which option(s) you are going to invest in. All investments can produce negative returns from time to time, but higher-risk investments like shares tend to experience greater highs and lows. On the plus side, they also tend to produce higher returns in the long term. However, you need time to ride out the ups and downs. The closer you are to retirement or requiring your super, the more likely you are to prefer an option weighted towards lower-risk, less volatile investments like cash and bonds.

#### Consider the cost of living as well

Inflation (the cost of living) impacts on the buying power of your savings. If your money consistently earns less after tax than the rate of inflation, it won't stretch as far even though its value is increasing.

#### Your personal feelings and knowledge about investing

Your level of risk tolerance will affect your investment choices. Some investors are content to ride out periods of negative returns, believing that what goes down must come up. Others would find that situation stressful and prefer to opt for investments that offer lower average returns but with less volatility.

If you have a high tolerance for risk, you are more likely to choose Growth. If you have a low tolerance for risk, you are likely to favour Conservative or even Cash.

Remember, too, your risk tolerance is likely to change over time. That's why it is a good idea to revisit your investment choices from time to time, say, every five years. Alternatively, you might prefer to choose UniSteps where your investment mix changes automatically as you get older.

#### Your personal financial circumstances

Your strategy will also depend on your personal circumstances, for example, your age, when you intend to retire, how much you will need to live on, other investments you may have and the needs of your dependants.

### How investing works

Your savings in the scheme are pooled with those of other members and spread across many individual investments. Those investments fall into two basic categories: growth assets and income assets. Growth assets are best suited to long-term saving. Income assets are best suited to short-term saving. Here's why.

#### Growth

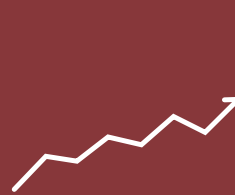


#### Growth assets

Higher risk  
Higher return

Growth assets (e.g. shares) tend to be volatile (up and down). You need to have time to ride out the highs and lows in the hope of a better return over time.

#### Income



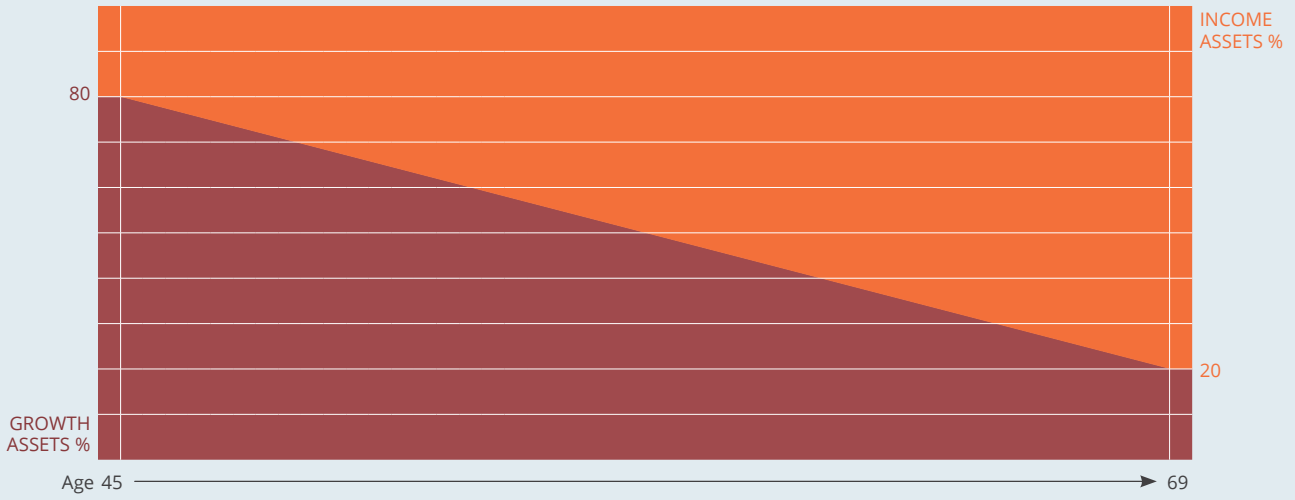
#### Income assets

Lower risk  
Lower return

Returns from income assets (e.g. fixed interest) tend to be more consistent but lower over time. There's a chance returns may not keep pace with inflation over the long term.

## UniSteps

With UniSteps, the mix of growth and income assets changes automatically as you get older. Up until age 45, your savings are invested in approximately 80% growth assets. From then, the percentage of growth assets is reduced gradually to approximately 20% from age 69. Here's how it works.



UniSteps uses three of the investment options below – Growth, Balanced and Conservative – to transition your savings from predominantly growth assets to predominantly income assets over time. The investment mix changes on 1 November each year, not on your birthday or the anniversary of the date you joined UniSaver.

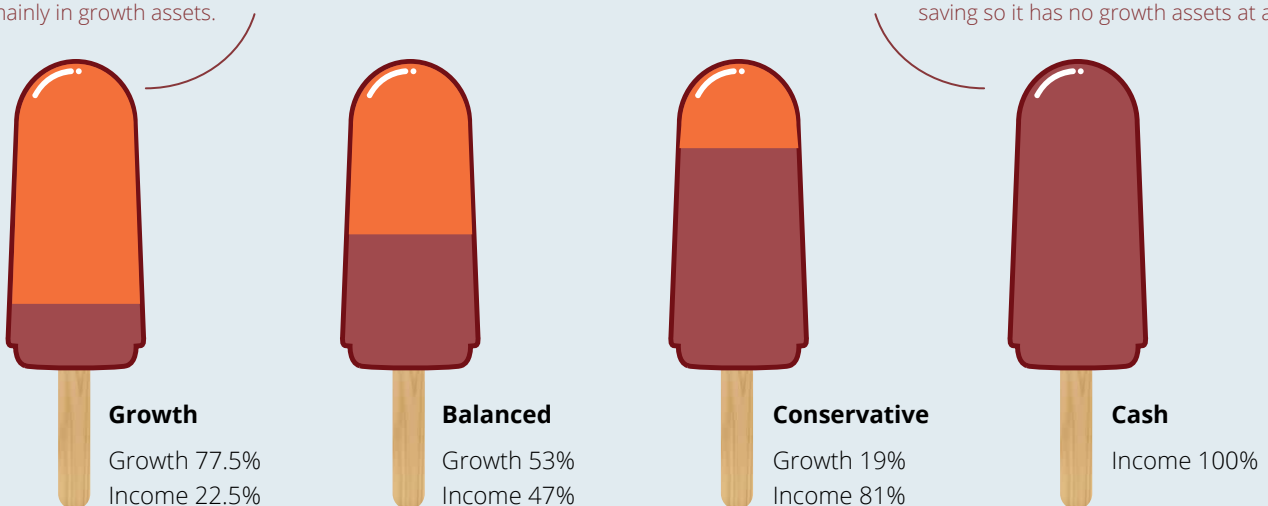
UniSteps is the default investment option if you don't tell us how you would like your savings invested when you join UniSaver. We can change the default investment option from time to time.

## Other investment options

If you prefer, you can create your own mix of growth and income assets by choosing one or a combination of four investment options: Growth, Balanced, Conservative and Cash. Each is made up of growth and income assets mixed in different amounts.

As you'd expect, the growth option is invested mainly in growth assets.

The cash option is designed for very short-term saving so it has no growth assets at all.



**Higher risk/higher return • Long-term saving**

**Lower risk/lower return • Short-term saving**

These percentages are the benchmark asset allocations for each investment option. Our investment managers may occasionally move away from the benchmark temporarily within specified ranges. See detailed benchmark asset allocations for each option on the following page. This information is subject to change. Visit [unisaver.co.nz](http://unisaver.co.nz) for the latest information.

## Here's a more detailed comparison of the four other investment options

This page compares the benchmark asset allocations in more detail.

### Growth

Growth has the potential to provide the highest returns of the four options over the long term and the greatest fluctuations from year to year. Your benefit may reduce in some years and have strong growth in other years.



<b>Growth assets</b>	<b>77.5%</b>
Global listed property (hedged)	4.5%
Global listed infrastructure (hedged)	6.5%
Global shares (hedged)	51.5%
Australasian shares	15%
<b>Income assets</b>	<b>22.5%</b>
New Zealand cash	2%
Global fixed interest (hedged)	14%
Global high yield (hedged)	6.5%

### Balanced

Expect lower long-term returns than Growth and higher long-term returns than Conservative. It is still possible your investment could reduce in value in any given year and produce strong growth in others. You would expect the ups and downs to be less pronounced than for Growth.



<b>Growth assets</b>	<b>53%</b>
Global listed property (hedged)	3%
Global listed infrastructure (hedged)	4.5%
Global shares (hedged)	35%
Australasian shares	10.5%
<b>Income assets</b>	<b>47%</b>
New Zealand cash	2%
Global fixed interest (hedged)	40.5%
Global high yield (hedged)	4.5%

### Conservative

Conservative aims to provide stable and positive returns. However, it is still possible it could produce an occasional negative return.



<b>Growth assets</b>	<b>19%</b>
Global listed property (hedged)	1%
Global listed infrastructure (hedged)	2%
Global shares (hedged)	13%
Australasian shares	3%
<b>Income assets</b>	<b>81%</b>
New Zealand cash	34%
Global fixed interest (hedged)	45%
Global high yield (hedged)	2%

### Cash

This is the most cautious option available, designed to minimise volatility in returns. There is, however, a very small possibility of experiencing a loss in any one year. It's worth noting that 'cash' is broader than just money on call with banks. Our cash investments are predominantly short-term securities issued by banks and other corporates in New Zealand.



<b>Growth assets</b>	<b>0%</b>
<b>Income assets</b>	<b>100%</b>
New Zealand cash	100%

## Changing your investment choice

You can change your investment choice online at any time, however, the change won't take effect until the first day of the next month. You can also download a form from the website or phone the helpline. There is no charge the first time you change your investment choice each year.

## What to do next

### If you'd like to join UniSaver:

- read the UniSaver product disclosure statement (PDS)
- complete the application form (at the back of the PDS)
- return the application form to your HR/payroll representative (contact details are included in your application pack).

Your HR/payroll representative will complete the remaining paperwork needed for your membership to start. We'll send you a letter confirming your admission to UniSaver.

Got a  
question?

### 0800 864 724

The helpline hours are 9am to 7pm, Monday to Friday (except public holidays). The helpline is operated by UniSaver's administrator, Mercer. You can also contact the helpline by email at [unisaver@mercero.com](mailto:unisaver@mercero.com).

### [unisaver.co.nz](https://unisaver.co.nz)

Our website is a convenient source of information about UniSaver. Once you're a member, you can log in to the secure part of the site to check your account balances, change investment options and much more. To log in, you'll need your member number and PIN, which we'll send to you once we've processed your application to join.

