New Zealand Post Superannuation Plan
NEWSLETTER TO MEMBERS FROM THE TRUSTEE | MAY 2019

Market volatility continues

November and December 2018 saw a significant fall in share prices. Then, from a low point in markets on Christmas Eve, there was an upswing in the first two months of 2019 that saw US shares rally 15–20%. This experience raises a couple of important points about investing.

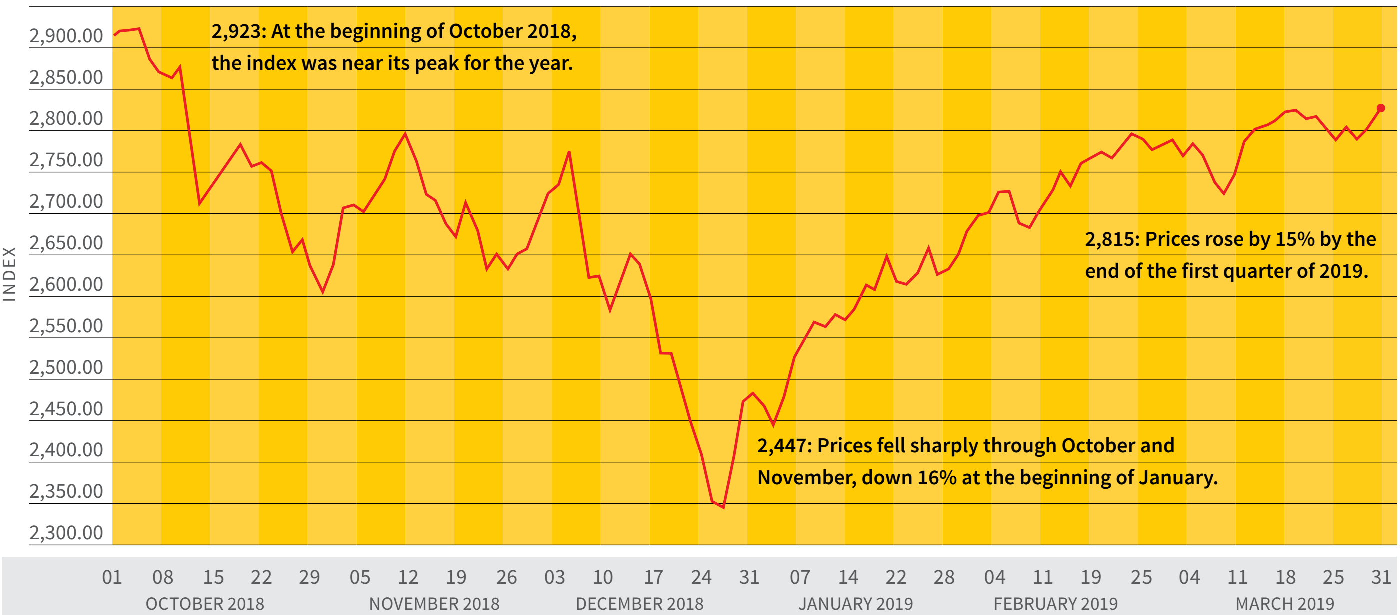
- Past returns aren't a good indicator of future returns. Making a change based on past returns isn't a good idea. For example, if you had switched from the Long Term Fund to the Short Term Fund on 1 January, you would have missed out on the significant rally in share prices over the following two months.
- You can expect returns from growth assets like shares to be volatile – you just need time to ride out the highs and lows. The questions to ask are:
  - When will you need to use your savings?
  - Is your current strategy appropriate given that time horizon?

The names of our three investment options give an indication of what timeframe you're looking at. By short term, we mean up to three years, and long term would be 10+ years. Another way of looking at it is that the Short Term Fund is designed for people who are uncomfortable taking on risk. The Long Term Fund is for members who are prepared to accept some market risk in order to maximise their return over time.

Another option is to go by age. A number of funds provide a 'life cycle' option where funds are switched automatically from mainly growth assets to mainly income assets as you get older. A typical split might be:

Age	Long Term Fund	Medium Term Fund	Short Term Fund
Under 45	100%		
46–50	50%	50%	
51–55	20%	80%	
56–60		50%	50%
61–64		20%	80%
65 and over			100%

? Seek professional advice if you're not sure which option is right for you.



The S&P 500 index covers 80% of the US equities market (by capitalisation). The index is widely seen as an indicator of the health of the US economy.

Returns modest but positive

Returns for the year to 31 March 2019 are positive across our three investment options.

Interim returns for the year to 31 March 2019

PIR	Short Term Fund	Medium Term Fund	Long Term Fund
10.5%	2.67%	5.57%	5.99%
17.5%	2.46%	5.36%	5.75%
28%	2.15%	5.04%	5.43%

Look out for your member statement in late May

We will post your annual member statement to you in late May. The annual report and fund updates for each of the three investment options will be posted online in late June, once our annual accounts are finalised. These will be available to view at www.superplan.co.nz and www.disclose-register.companiesoffice.govt.nz.

Moving to a new employment arrangement?

There are lots of changes happening at Post, and it can be difficult to understand how your superannuation arrangements might be affected. Call the Plan's manager Nick Economu to find out your options if you are moving to a new employment arrangement, for example, if you're moving from a permanent to a casual contract. The number to call is **0800 NZPSAVE (0800 697 728 – choose option 2)**.

Three reasons to fill in a leaving form if you leave Post

1	**Your money isn't paid out to you automatically.** You need to fill in the form to tell us you've left.
2	Even if you intend leaving your money in the Plan, you need to fill in the form to make sure your savings don't end up flagged as 'unclaimed monies'.
3	You only have 60 days from your official leaving date to transfer your life insurance to a personal policy without having to provide evidence of good health. That way, you can be sure all pre-existing conditions will be covered. Filling in the form means we can alert the Plan's insurance advisor Tony O'Brien who will get in touch with you to work through your options.

Things to do

Make sure you:

- have a will and that you keep your nominated beneficiaries' details up to date
- select the right tax rate (PIR) so you don't pay more tax than you need to
- talk to us about financial hardship or housing benefits if you need to
- fill in a leaving form if you leave Post (or if you have already left Post and haven't claimed your benefit).

The forms you need are on the website.

Changes to the locked section

New legislation came into force at the beginning of April that affects KiwiSaver schemes and complying superannuation funds like our locked section. Here's a summary of those changes.

First, a couple of changes in terminology:

- '**Member tax credits**' are now known as '**government contributions**'.
- '**Contribution holidays**' are now called '**savings suspensions**'.

From 1 April 2019

- You now have the choice of two new contribution rates to the CSF (locked) section (6% and 10%). That means you can now choose to contribute 3%, 4%, 6%, 8% or 10% to the CSF section. The company will only match contributions to the CSF section up to 4% of salary. Remember, any voluntary contributions you make to the CSF section are locked in. Fill in an 'Alter contributions form' if you want to change your contribution rate.
- The maximum savings suspension period has been reduced from five years to one year for the CSF (locked) section (although there is still no limit to the number of times you can renew a suspension). The maximum suspension period for contributions to the standard section remains five years.

From 1 July 2019

- The five-year lock-in period for new members over the age of 60 who join the Plan's locked section will be removed. This could make joining the locked section more attractive if you're over 60 and want the opportunity to earn government contributions to your savings. Remember, members of the locked section qualify for government contributions of up to $521 a year up to age 65. Fill in an 'Alter contributions form' if you want to join the locked section.

From 1 April 2020

- Existing members and individuals who joined the locked section before 1 July 2019 who would otherwise be prevented from making a retirement withdrawal by the five-year lock-in period may opt out of the five-year lock-in period. Note that a consequence of opting out is that you will cease to be eligible to receive government contributions and compulsory employer contributions.

Proof of bank details required for benefit payments

We can only pay benefits into an account in your name, so this excludes names you have been known by previously, family trust accounts, business accounts and accounts in someone else's name. That's why we need to ask for supporting evidence of your bank account details when you make a withdrawal, and it also helps prevent a slip-up in transcribing your account number. The evidence needs to show the name the account is in and the bank account number. The simplest way is to take a screenshot from your internet banking or photocopy of the top of a recent bank statement or ask your bank to print and sign a verification of account slip. Once Mercer has this information on file, you won't need to provide it again unless you change your account. This extra step is designed to help protect members against fraud. It's also required by our auditor.

Getting help and information

www.superplan.co.nz

Our website is a great source of information about the Plan. Check out the latest returns, get answers to your questions or find a form. You can also view this and previous newsletters.

www.sorted.org.nz

Sorted has financial planning tools and is a great source of advice on money management in general.

Mr A B Sample
123 Sample Street
Sample Suburb
Sample City 1234

Help when you need it

Call the helpline if you have a question about your savings or you need to make a change.

0800 NZP SAVE

0800 697 728 (choose option 1)

There's someone available to take your call from 9am to 7pm Monday to Friday (excluding public holidays).

You can also email your request to nzpostsuper@mercer.com or fax to (04) 819 2699.

Call 0800 697 728 and choose option 2 if you need to talk to the management team.