

The New Zealand Retirement Guide



*The Over 50s
Insurance Specialists*

 **NEW ZEALAND
Seniors**



Contents

Introduction	01
Winding down your career	02
Managing your finances in retirement	03
How much will you receive with NZ Super?	
How much do you actually need?	
The KiwiSaver scheme	
Where to retire in New Zealand?	05
Marlborough	
Tauranga	
Kapiti Coast	
The Waimakariri District	
Wanaka	
Should you downsize or live a nomadic lifestyle?	07
Getting your affairs in order	08
Review your insurance	
Update your will	
Conclusion	09



Introduction

Wearing slippers 24/7, not putting the paper down in the morning until you're finished reading it, and getting the cheap midweek plane tickets for a change.

There's a lot to love about retirement.

We spend a lot of time thinking about all the fun and relaxing things we're going to do when we retire, but not as much time actually figuring out how to make the transition.

At New Zealand Seniors, we know that the retirement puzzle is about so much more than just

relaxing and spending more time with loved ones. You need to consider things like finishing up your career, organising your super, putting together a will and protecting your family's finances with funeral insurance, as well as finding the perfect place to call home – whether that's moving to another city or simply downsizing your family home.

That's why we've put together this quick guide for Kiwis transitioning into retirement.





Winding down your career

Technically speaking, Kiwis can retire at any time.

But realistically, many of us will retire at the age of 65 when New Zealand Superannuation (NZ Super) payments kick in and we start reaping the financial rewards for all those years of taxes.

However, there's nothing stopping you from handing in your notice at work at a younger age, or even carrying on work while you're semi-retired.

For many, shifting gears from a lifetime of working nine-to-five to being fully retired is too much of a shock to the system. It can leave us feeling rudderless, and can take a lot of adjusting to having so much free time.

Fortunately, some employers will allow you to drop down your hours if you're close to retirement age. This offers a great balance of still working and earning, but no longer putting all your time into a job.

Other retirees will step away from their career and take up a part-time position in a less-stressful role, or will spend time volunteering. These options feel less like a race car slamming on its brakes and more like a cruise liner slowly gliding into port.

Whether you're crossing off the days on your retirement calendar or plan on turning up at work until your boss won't have you anymore, this is the time to think about your finances for the upcoming years.





Managing your finances in retirement

How much will you receive with NZ Super?

NZ Super is a major source of income for all Kiwi retirees.

[Work and Income](#) determines the payment rates New Zealanders are eligible for after turning 65, and updates the figures each year on 1 April.

To [qualify for NZ Super](#), you must have lived in New Zealand for 10 years after your 20th birthday. You also must have spent a minimum of five of those years living in New Zealand after your 50th birthday. You may also be able to count time spent living in other countries, such as Australia, so be sure to [check the fine print with Work and Income](#) if you're unsure about your eligibility.

With Work and Income current rates, singles who live alone or with a dependant child receive \$950.84 before tax fortnightly. Singles who live with someone 18 or older, or have someone staying with them for more than 13 weeks, receive \$874.28 before tax fortnightly.

As of publication – ym to fix For couples, if both people meet the requirements of NZ Super, each

will receive \$720.84 before tax fortnightly. That figure is also correct if just one person qualifies but does not include their partner in the payments. If only one person meets requirements but includes their partner in payments, that figure drops to a maximum of \$682.86 each before tax fortnightly.

These numbers remain the same whether or not you continue working, or if you have other income (such as investments). NZ Super will only be affected if you are receiving payments from an overseas superannuation scheme – in which case you'll need to let Work and Income know.

If you reach retirement and don't have sufficient income, there are also schemes in place to help. You may be able to [apply for government assistance](#) for a range of expenses, from healthcare to mortgage repayments.

How much do you actually need?

There is no set number of exactly how much you need in your savings before you can retire. It depends on a variety of factors such as the kind of lifestyle you want, whether you own the home where you'll live or are still renting or making mortgage repayments, and at what age you retire.

What does seem to be clear from a 2018 [Massey study](#) is that most retirees and pre-retirees believe the NZ Super is not enough to fund retirement on its own.

The survey found that a single person living in a metro area would need \$1,196.90 per fortnight for a no-frills budget, and double that for a 'choices' budget. Couples would be looking at a no-frills budget of \$1,770.62 per fortnight, or a choices budget of \$2,835.70 per fortnight. These figures are quite out of reach in terms of current NZ Super payments.

Extrapolate these figures over a couple of decades and you'll start to get an idea about how much you'll need in total to call it a day on your career. This could be as little as just \$13,000, or as high as \$785,000, according to Massey.

For some, this means continuing to work in retirement. For others, this means relying on their KiwiSaver to fill the gaps.

The KiwiSaver scheme

[KiwiSaver](#) is a voluntary savings scheme for retirement for Kiwis (although if that's news to you and you're looking to retire in a couple of years, it might be a tad late to make the most of it).

For those who have opted in, there should be years of accumulated savings in your personal KiwiSaver account. This includes your own contributions, contributions from your employer, government contributions and interest. KiwiSaver providers are private companies, and you can choose the one that suits you best or change at any time.

Generally speaking, you can only access your KiwiSaver when you reach retirement age (there are exceptions for serious illness, moving overseas, and buying a first home).

When you [withdraw your KiwiSaver funds](#), you'll get them as a lump sum, so you may need to make a plan for how you will ensure this sum lasts throughout your retirement.





Where to retire in New Zealand?

Marlborough

A [NZ Herald study in 2018](#) found that Marlborough is our number one retirement destination thanks to its sunshine hours, safety, healthcare, property prices, rates, and population of over-65s.

Surrounded by beautiful coastal scenery and vineyards, and with a perfectly laid-back atmosphere and welcoming community, it's easy to see why making the move is so popular.

Tauranga

Tauranga has long been a popular retirement destination, especially for those who have spent a lifetime in Auckland.

It's close enough to the big city to stay near to friends and family still living there, yet far enough to feel removed from the hustle and bustle of a concrete jungle. There's sunshine, beaches, a thriving local community, and fantastic healthcare options.

Kapiti Coast

The Kapiti Coast is a favourite holiday destination among Kiwis, and all the same attractions that draw in the crowds at Christmas are just as alluring once the clock strikes 65.

There's a huge number of retirement villages in the area, as well as excellent weather throughout the year, and plenty of local shops and amenities. It's also conveniently close to Wellington.

The Waimakariri District

Located just to the north of Christchurch, the Waimakariri District encompasses Rangiora, Kaiapoi and Oxford – all excellent retirement locations.

This region offers retirement with a rural feel and a slower pace of life. The coastline adds plenty of options for fishing and boating adventures, Mt Hutt and other ski fields aren't far away, and the affordable homes make this pocket of NZ an extremely attractive option.

Wanaka

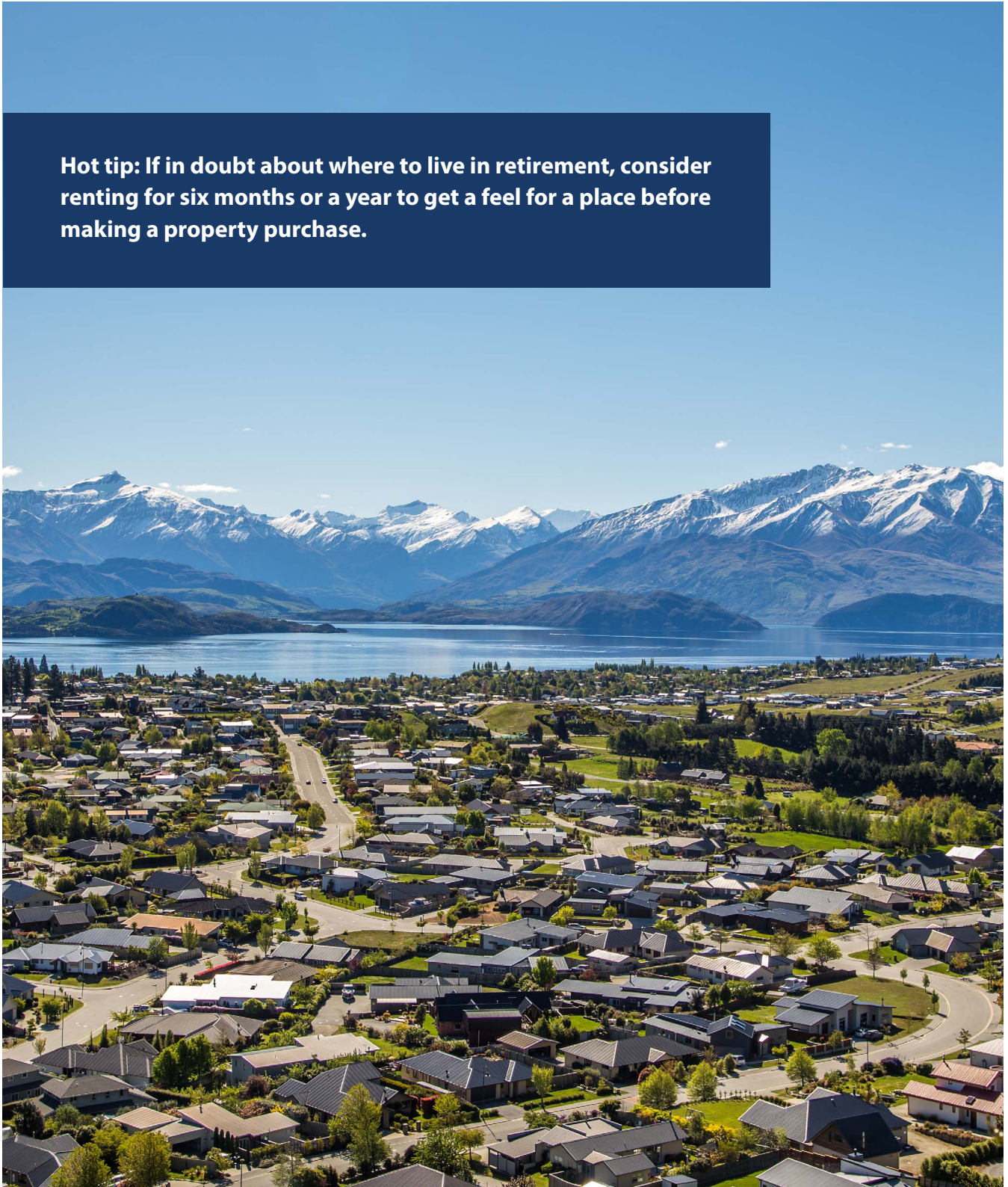
Wanaka has long lived under the shadow of the more glamorous neighbouring Queenstown, but locals know it's one of the best places to live in New Zealand.

Surrounded by spectacular mountains, lakes and rivers, this is the place to be for outdoorsy retirees. Summers are hot and invite adventures, while

winters are beautiful and promise plenty of snow sports.

Also note that if you're [planning to move overseas](#), you should still be able to claim part or all of your NZ Super. It depends on where you go, and for how long you were in New Zealand.

Hot tip: If in doubt about where to live in retirement, consider renting for six months or a year to get a feel for a place before making a property purchase.





Should you downsize or live a nomadic lifestyle?

The majority retirees are already mortgage-free by the time they retire, according to Massey, which is no easy feat, but a great one.

This means the option ahead of you is what to do with that home now you don't necessarily need to stay in the same place for work.

Do you become a nomad like the millennials (minus the barrage of Instagram posts)? Downsize to something with less gardening? Stay put so you don't confuse the pets?

Here are a few questions to help you make a decision:

- Are you planning to travel a lot in retirement?
- Do you need to free up funds for retirement plans?
- Do you need to stay put for family or other reasons?
- Is your current home surplus to requirements in terms of space?
- Is your current home suited for ageing bodies? (Stairs are less kind on knees with every passing year)
- How much travel will your retirement budget allow?
- Would you prefer to be closer to the city centre, or farther away?
- Do you want to spend more time in the garden, or less?
- Do you expect a lot of visitors and will therefore need a spare room?
- Does the idea of a retirement village appeal?
- Do you plan to spend retirement years relaxing at home, or mostly out and about?
- Deciding what to do is a bigger decision than most might initially realise. Fortunately, it's not one you need to make right away, and you can change your plans at any time.



Getting your affairs in order

By the time you retire, you'll be well used to the idea that being an adult often means there's paperwork to do practically every time you sneeze.

Here are a couple of quick life-admin tasks you'll need to tick off so everything is set for your retirement.

Review your insurance

Reviewing your insurance is a good idea at almost any time, but it is especially important during a major life change.

Taking the time to review your insurance is important at this stage as your preferences and needs often change over time, and all insurance plans should be up to date.

For example, when you review your funeral insurance, you can update the level of cover you prefer, who receives your payout, and other key factors. This is also a good time to remind yourself of what you get in return for your payments, such as worldwide coverage, and the peace of mind of knowing your family will be taken care of.

Take the time to go through each one, ensuring you have an up-to-date contract and that it covers

your current needs – not just whatever you signed up for a decade or two ago.

Update your will

Talking about wills can seem a bit dark when you first bring it up, but you'll quickly be giggling over which songs you want played at your funeral and who you'd haunt first.

It's a great start to talk about a will, but having one signed and witnessed will make sure your wishes are set in stone.

You'll also need an executor and a trustee. The executor obtains your will from the court, and the trustee is in charge of carrying out your wishes. Fortunately, you can appoint a family member into these roles (best to check with them first, though), or opt for a professional if it's a larger estate or complicated set of instructions.

As well as updating the parts where you divvy up your estate, be sure to double-check that you are still happy with your choices for your executor and trustee.



Conclusion: A retirement by any other name

To retire is to leave a place, to retreat, surrender, or withdraw. When you think about it like that, it's a bit of a strange name for what retirement really is.

Certainly, you leave your workplace, but retirement is about much more than just not going to work each day. It's a life change where you suddenly have considerably more time to spend with friends and family, travel the world, enjoy hobbies and never again set an alarm clock for getting up when you don't want to.

So get your funeral insurance sorted, let us know who you've decided to haunt first, and start looking forward to the endless freedom you've been dreaming of since your school days.

Once you've dealt with the life admin of claiming KiwiSaver, figuring out where to live and how, and

tidying up those insurance loose ends, you're free to live in your slippers and embarrass the grandkids to your heart's content.

Perhaps we should call it free-tirement.

Handy tools and resources

- ✓ [Retirement planner](#)
- ✓ [Funeral cost calculator](#)
- ✓ [Retirement budgeting help](#)
- ✓ [KiwiSaver savings calculator](#)
- ✓ [Living in retirement](#)