

FACT SHEET

EMPLOYER CONTRIBUTIONS AND KIWISAVER

Priority rules with KiwiSaver

If you are a member of a KiwiSaver scheme, the allocation of your employer's contributions between the Scheme and your KiwiSaver scheme will vary, depending on when you joined the Scheme and whether or not you are contributing to a 'Locked Account'* in the Scheme.

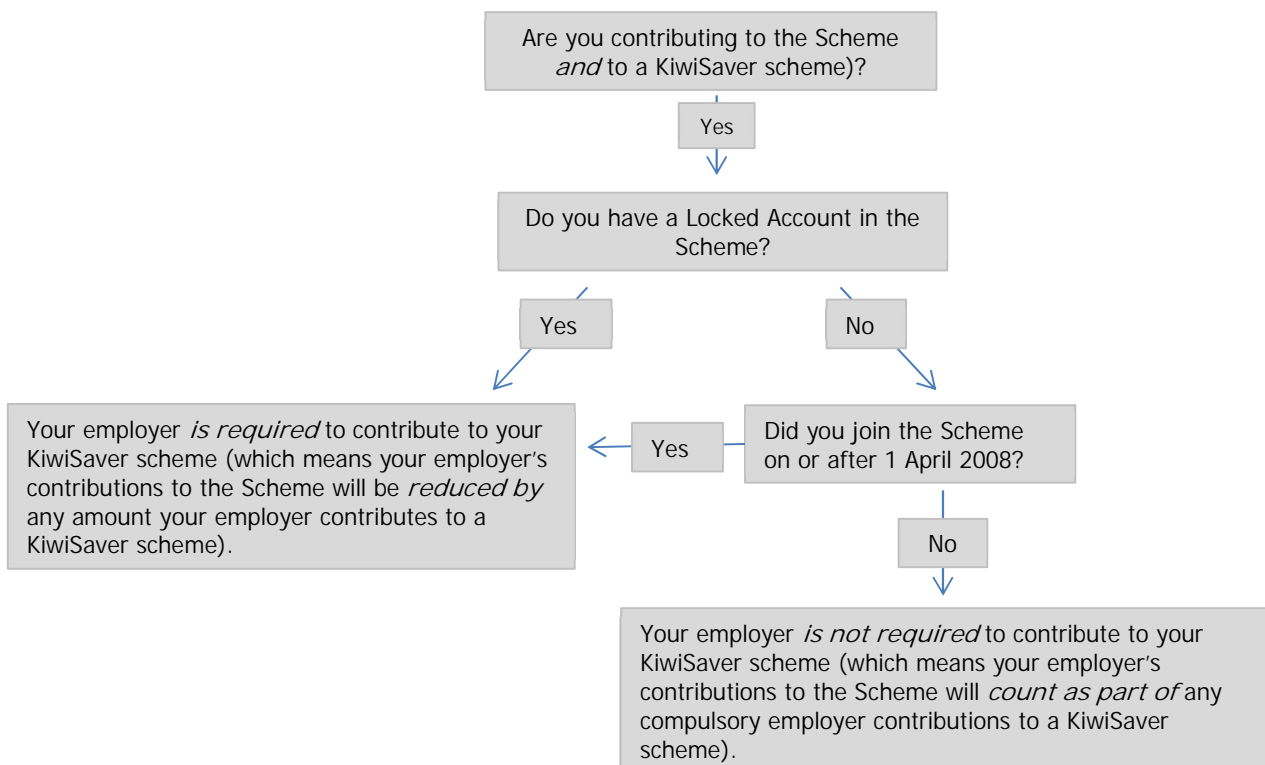
If you are a member of a KiwiSaver scheme and:

- you joined the Scheme on or after 1 April 2008 and/or
- you are making 'locked in' contributions to the Scheme

your employer's contributions to the Scheme will be reduced by any amount that your employer is contributing to your KiwiSaver scheme on your behalf.

If you joined the Scheme before 1 April 2008 and you are not making locked in contributions to the Scheme, your employer's contributions to the Scheme can count as part of any compulsory employer contributions to a KiwiSaver scheme.

The following diagram shows how this works.



Turn the page for some examples.

*A "Locked Account" refers to the locked-in sub-account within each of your members account and your Employer's No 1 account.

The following example illustrates how this would work for a member who is contributing to a KiwiSaver scheme and the Scheme and:

- ❑ joined the Scheme *before 1 April 2008*, and
- ❑ *is not contributing* to a Locked Account in the Scheme.

As the diagram on the previous page shows, the full employer subsidy of 1.5 times the member's contribution (up to a maximum of 6% of salary) will be paid into the Scheme.

The table below shows how this works.

Scheme	Member Contribution (before 1 April 2026)	Employer subsidy (before tax) (before 1 April 2026)	Member Contribution (from 1 April 2026)	Employer subsidy (before tax) (from 1 April 2026)	Member Contribution (from 1 April 2028)	Employer subsidy (before tax) (from 1 April 2028)
Dairy	2%	3%	2%	3%	2%	3%
KiwiSaver	3%	0%	3.5%	0.5%	4%	1%
Dairy	3%	4.5%	3%	4.5%	3%	4.5%
KiwiSaver	3%	0%	3.5%	0%	4%	0%
Dairy	4%	6%	4%	6%	4%	6%
KiwiSaver	3%	0%	3.5%	0%	4%	0%
Dairy	5%	7.5%	5%	7.5%	5%	7.5%
KiwiSaver	3%	0%	3.5%	0%	4%	0%
Dairy	6%	9%	6%	9%	6%	9%
KiwiSaver	3%	0%	3.5%	0%	4%	0%

The next example illustrates how this would work for a member who is contributing to a KiwiSaver scheme and joined the Scheme *after 1 April 2008* or joined *before 1 April 2008* and is also *contributing to a Locked Account* in the Scheme. **

In this case, as the following table shows, the employer subsidy of 1.5 times the member's contribution is split between the Scheme and their KiwiSaver scheme, that split being subject to the KiwiSaver scheme and complying superannuation fund minimum employee and employer contributions.

Scheme	Member contribution*	Employer subsidy* (before tax)
Dairy	2%	0%
KiwiSaver	3%	3%
Dairy	3%	1.5%
KiwiSaver	3%	3%
Dairy	4%	3%
KiwiSaver	3%	3%
Dairy	5%	4.5%
KiwiSaver	3%	3%
Dairy	6%	6%
KiwiSaver	3%	3%

*Locked or unlocked contributions

**As set out above in this fact sheet, the default employee and employer contribution rates to KiwiSaver will increase from 3% to 4% of salary in two steps over three years from 1 April 2026. However, the current position on contributions for members with Locked Accounts is unclear. The Taxation (Budget Measures) Act 2025 which introduces the changes indicated in the 2025 Budget has not changed the minimum employee contribution rate for complying superannuation funds. It remains at 3%. However, the compulsory employer contribution rate may increase to 4%. We are working with our legal advisers and industry affiliations in relation to the position for contributions to Locked Accounts and understand it is likely there will be a further law change to address the inconsistency between employee and employer contribution rate for Locked Accounts. At this time we do not have further information but will provide updates as we become aware of them on the Scheme website.

Note that if a member is on a contribution suspension from their KiwiSaver scheme, the full employer contribution will be paid to the Scheme.

The information in this fact sheet relates to section 101D of the KiwiSaver Act, which provides relief to employers from 'double-dipping'. The clause is not binding and if a member is contributing to both the Scheme and a KiwiSaver scheme, the employer may elect to contribute the full subsidy to the Scheme and the required contribution to the member's KiwiSaver scheme.

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Current as at June 2025