

FREQUENTLY ASKED QUESTIONS ABOUT HOME PURCHASE WITHDRAWALS

Q. WHAT IS A HOME PURCHASE WITHDRAWAL?

A. The Scheme's trust deed allows you to make a withdrawal from both your standard (unlocked) accounts **and** Locked-In Accounts (if applicable) to go towards the purchase of a first home.

Q. AM I ELIGIBLE IF I HAVE OWNED A HOME BEFORE?

A. The withdrawal facility is intended principally for first home purchases. If you have previously owned a home, either on your own or jointly with another person, you may be eligible to make a withdrawal. To qualify you will need to meet Kāinga Ora's criteria for subsequent withdrawals, that is, you are considered to be in the same financial position as a person who has never owned a home.

Q. CAN I MAKE A WITHDRAWAL TO BUY A HOUSE TO LIVE IN ON MAORI LAND?

A. Yes, provided there is evidence of your right to occupy the land, such as a licence to occupy or an occupation order.

Q. CAN I WITHDRAW THE FULL BALANCE IN MY ACCOUNTS?

A. Not quite, if you have been a Scheme member for less than five years, you will only be able to withdraw the vested¹ portion of your Employer's No.1 Account.

If you have Locked-In Accounts, under current legislation you are required to leave a minimum of \$1,000 in those accounts.

Q. CAN I MAKE MORE THAN ONE WITHDRAWAL?

A. No, you can only ever make one withdrawal on this basis.

Q. HOW DO I QUALIFY?

A. You need to have contributed to the Scheme (or another complying superannuation fund or a KiwiSaver scheme) for at least three years.

Q. HOW DO I APPLY?

A. Complete a 'Home Purchase Withdrawal' form available from the Documents & forms page on www.dairysuper.superfacts.co.nz or by calling the Scheme helpline 0800 355 900. Return the form to the Scheme's Administration Manager, Mercer, with all the required supporting documentation **at least 10 working days before you wish to withdraw the money.**

Q. WHEN WILL THE PAYMENT BE MADE?

A. No payment can be made until your withdrawal has been approved. The timing of the payment varies, depending on whether your withdrawal is to pay all or part of the deposit or solely for funds to be paid at settlement.

If your withdrawal is to pay all or part of the deposit (with any balance paid at settlement), payment will be made to your solicitor's or conveyancing practitioner's trust account once your application has been approved. If your withdrawal is for funds to be paid at settlement, it will be paid on the date your sale and purchase agreement becomes unconditional or as soon as possible thereafter.

Note that you must complete and return your form and provide the appropriate documentation so that they are received by the Scheme's Administration Manager, Mercer, **at least 10 working days** before payment is required.

Q. CAN THE WITHDRAWAL BE PAID DIRECTLY TO ME?

A. No, the home purchase withdrawal must be paid direct to your solicitor's or conveyancing practitioner's trust account.

Q. WHAT HAPPENS IF THE HOUSE SALE FALLS THROUGH?

A. The withdrawal payment made to your solicitor or conveyancing practitioner must be returned to Mercer and the funds must be credited back to your Scheme accounts. You will need to make a new application if you find another house.

Q. WHAT CAN I USE THIS MONEY FOR?

A. The home purchase withdrawal can be used to help you buy a house, home unit or apartment to live in, or a section on which your home is to be built.

It cannot be used to buy an investment property.

Q. CAN THE TRUSTEE DECLINE MY APPLICATION?

A. The Trustee does have the discretion to decline your application and will only permit a withdrawal from your Scheme accounts if it is satisfied that, had you been a member of a KiwiSaver scheme, you would have been permitted to make the withdrawal.

¹i.e. the portion of your Employer's No.1 Account that would have been payable had you resigned on the date you apply for a home withdrawal.

FIRST HOME GRANT

If you are purchasing a first home, or Kāinga Ora considers you are eligible to make a home purchase withdrawal despite having previously owned a home, you may also be entitled to a First Home Grant. The grants are administered by Kāinga Ora and will be paid to your solicitor.

To qualify for a grant you must have been contributing to the Scheme's Locked-In Accounts, a KiwiSaver scheme, exempt employer's scheme or a complying superannuation fund for a minimum of the three years.

There are two First Home Grants: one for the purchase of an existing home and the other for building or purchasing a new home, or land to build a new home on.

Purchase of an existing property

If you are purchasing an existing home, the grant is between \$3,000 and \$5,000 based on \$1,000 for each year of contributory membership up to a maximum of \$5,000 after five or more years.

Purchase of a new property

If you are building or purchasing a new home or land to build a new home on, the grant is between \$6,000 and \$10,000 based on \$2,000 for each year of contributory membership up to a maximum of \$10,000 after five or more years.

You can combine your grant with another eligible purchaser. The maximum grant for the purchase of a single dwelling is \$10,000 for an existing property and \$20,000 for a new property.

Terms and conditions apply (including income and purchase price restrictions) and all enquiries about the home purchase subsidy should be directed to Kāinga Ora.

For more details, you can visit the Kāinga Ora website kaingaora.govt.nz (go to 'KiwiSaver helping you into home ownership'), e-mail a query to firsthomegrant@kaingaora.govt.nz or call the Kāinga Ora Helpline on 0508 935 266.

Note: Because Kāinga Ora administers the home purchase subsidy facility, and subsidies are not payable from the Scheme, the Trustee has no liability or involvement in relation to the subsidy facility.

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