

NATIONAL SUPERANNUATION

Our National Superannuation is available to all New Zealanders on attaining the age of 65 who satisfy certain rules particularly in respect to residency. However there are some features of the scheme which everybody needs to be aware of.

It is becoming more common for people to continue to work after they reach 65 but they will be eligible for National Super even though they continue to work. In most cases where the worker is earning wages they will need to get a special tax rate for the National Superannuation entitlement, otherwise they may end up with a large tax bill at the end of the financial year.

In many instances IRD will send out a letter to the tax payer when they are close to 65 advising them that they may be eligible for National super and that they should approach WINZ to arrange a time to call at a WINZ office. WINZ will provide a pack for the caller which includes an application form which must be completed and taken to the interview.

WINZ will not pay arrears of National Super if the applicant delays applying until sometime after they are 65. So it is up to every individual to ensure that they apply well before they attain 65. Where other allowances are granted, like the “living alone” payment it is incumbent on the superannuitant to inform WINZ that the circumstances have changed and the payments will be adjusted.

The definition of “income” is broader under the WINZ legislation than its usual interpretation especially where a superannuitant adds on a non-eligible spouse to their National Super.

Superannuitants are allowed to leave NZ for up to 26 weeks provided they intend to return. With the use of computers and co-operation among government departments WINZ can monitor a superannuitant’s leaving and entering the country. If a superannuitant leaves and does not return within the 26 weeks WINZ will take steps to recover any overpayment of National Super.

There are rules about overseas pensions being deducted from National Super payments. It is therefore essential to make it clear to WINZ if you receive payments of an overseas pension.

All in all the NZ National Superannuation Scheme is fair to all but there are always some anomalies which inevitably arise. If there is any doubt on any point, it should be disclosed and discussed with WINZ.

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