**Press release – section 13**

***The Missing 2016 Review* – Do employers have a role in employees’ retirement saving?**

**24 July 2017**

Michael Chamberlain and Michael Littlewood have launched what they say is the review of retirement income policies that New Zealand should have received from the Retirement Commissioner in December 2016. Their report is called *The Missing 2016 Review – building trust for life beyond work* and is available online at [www.alt-Review.com](http://www.alt-review.com/).

This press release looks at the role of employers in the current retirement saving policy environment. Should employers be doing anything about their employees’ saving habits?

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**Summary:**  We do not know what role employers currently play in helping their employees plan for retirement. KiwiSaver has probably helped supplant occupational superannuation schemes but it would be nice to know. The potential shift to ‘total remuneration’ policies matters for the design and implementation of public policy on retirement saving generally.

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In a new report on retirement income policy issues, *The Missing 2016 Review – building trust for life beyond*, Michael Chamberlain and Michael Littlewood say that employers seem to be less important to New Zealanders’ retirement saving plans. Part of that gap has been filled by KiwiSaver but we do not have good data on this. The last major survey of employers’ practices on superannuation was done in 2003.

Employers must decide how much to pay employees and that can be all in cash (‘total remuneration’) or cash and benefits (‘pay + benefits’). Employers’ remuneration practices affect whether public policy settings on retirement savings can affect the way in which savers are affected – Chamberlain and Littlewood say this is something for employers to decide, rather than for the government to make rules about.

There are reasons that an employer might want to be involved in their employees’ financial decisions and New Zealand needs to understand whether employers either are so involved or might think about becoming involved. That may be significant for education and information programmes.

The rules about what the Financial Markets Authority (FMA) call ‘workplace superannuation schemes’ have taken a step back under current rules. There seems no possible justification to restrict an employee’s access to superannuation savings while still in employment; nor to prevent an employer offering insurance as part or all of the subsidised offering under an occupational scheme.

“The new rules introduced by the Financial Markets Conduct Act 2013 have caused significant disruption and now need to be unwound. If we really want to encourage employers to engage with their employees on issues covered in this report, we need to make the regulatory environment as friendly as possible.”

*The Missing 2016 Review* finishes its analysis of the government’s roles with seven questions that New Zealand needs to discuss on the role of employers in the provision of occupational superannuation schemes. responsibilities.

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**Report accessible at:**

[www.alt-Review.com](http://www.alt-review.com/)

* Full report downloadable;
* Also, each of the 22 sections;
* And a press release for each of the 22 sections, including this one.