



# Cabinet

## Minute of Decision

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### New Zealand Superannuation

Portfolio

Finance

On 6 March 2017, Cabinet:

- 1 **agreed** that the age of eligibility for New Zealand Superannuation should start moving from 65 years of age in twenty years' time;
- 2 **agreed** that the age of eligibility for New Zealand Superannuation should increase on a phased basis, starting on 1 July 2037 when the age of eligibility would increase by six months, and increasing the age of eligibility by a further six months every year until 1 July 2040;
- 3 **noted** that the age of eligibility for New Zealand Superannuation will reach 67 years of age in 23 years' time, because of the transition period;
- 4 **noted** that there will be no change to the indexation rate of New Zealand Superannuation, and that there will continue to be no means-testing of New Zealand Superannuation as a result of the proposals in the paper under CAB-17-SUB-0074;
- 5 **agreed** that the residency requirement be amended so that new applicants for New Zealand Superannuation must have lived in New Zealand for twenty years, with five of those after the age of 50;
- 6 **agreed** that the current residency requirement for New Zealand Superannuation will continue to apply for people who are New Zealand citizens or residents at the time the legislation is enacted;
- 7 **noted** that the proposed changes would produce overall annual savings of \$4.0 billion by 2041, and that these savings would be equivalent to 0.6 per cent of GDP;
- 8 **agreed** that there be a review in 2030 of the expected transitional impacts of the change in the age of eligibility, in light of the latest trends in employment and longevity at that time, to ensure that the impacts on any disadvantaged groups are fully understood and to consider whether any temporary additional support is needed for those unable to work beyond 65;
- 9 **agreed** that the changes in the eligibility rules for New Zealand Superannuation be carried across to other policy settings that relate to them, including the age of eligibility for the New Zealand Veteran's Pension, ACC earnings compensation, and the SuperGold card;

- 10 **agreed** that the age at which KiwiSaver funds can be accessed be decoupled from the age of eligibility of New Zealand Superannuation, and fixed at 65;
- 11 **agreed** that people over the age of 65 may join KiwiSaver;
- 12 **invited** the Minister of Commerce and Consumer Affairs and the Minister of Revenue to report back to Cabinet with details on the implementation of the proposed changes to KiwiSaver settings;
- 13 **noted** that:
- 13.1 the changes outlined above will require amendments to the New Zealand Superannuation and Retirement Income Act 2001 and the Veteran's Support Act 2014, and may require consequential amendments to other legislation;
- 13.2 the Minister of Finance will bring forward detailed proposals for the necessary legislative changes in 2018;
- 14 **noted** that the Prime Minister and Minister of Finance will announce, on 6 March 2017, the proposed changes to New Zealand Superannuation;
- 15 **noted** that the paper under CAB-17-SUB-0074 and the associated Regulatory Impact Statement will be published in due course.

Michael Webster  
Secretary of the Cabinet

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