

The Treasury

Budget 2011 Information Release

Release Document

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [10] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice.

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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

From: Carolyn Palmer (MIN) [1]
Sent: Monday, 4 April 2011 12:46 p.m.
To: [1]
Cc: Peter Frawley; Olivia Williams (MIN); Steve Mack; Peter Martin; Pauline Nesdale[1]
Subject: KiwiSaver reform

Hi

The Minister has asked for costing to be prepared on an amended KiwiSaver reform package as detailed below.

Policy proposal

- Removing the exemption from the employer superannuation contribution tax (ESCT) for employer contributions to KiwiSaver and complying superannuation funds, and requiring employers to calculate this tax at individuals' marginal tax rate to ensure that it is fully progressive, with effect from 1 April 2012;
- reducing the Member Tax Credit (MTC) matching rate to 50c per \$1 of individual contribution, and reducing the cap to \$521.43 a year (\$10 per week, half the present rate), with effect from 1 July 2011;
- requiring employers to match employee contributions, up to a maximum 3% of gross remuneration from 1 April 2013; and
- increasing the *default* and *minimum* contribution rate for new members to 3% of gross remuneration, with effect from 1 April 2013.

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