

The Treasury

Budget 2023 Tax Initiatives Information Release

July 2023

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Cabinet Document Details

Title: **Cabinet Minute: DEV-23-MIN-0068: KiwiSaver Initiative**

Date: **3 May 2023**

Creator: Cabinet Office

Information Withheld

No information has been withheld.

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Cabinet Economic Development Committee

Minute of Decision

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KiwiSaver Initiative

Portfolios **Revenue / Commerce and Consumer Affairs**

On 3 May 2023, the Cabinet Economic Development Committee:

- 1 **noted** that Budget 2023 has allocated funding for the proposed government payment of the KiwiSaver employer contribution to eligible paid parental leave (PPL) recipients [CAB-23-MIN-0139];
- 2 **agreed** that the government will pay a three percent ‘employer’ KiwiSaver contribution to eligible PPL recipients’ KiwiSaver accounts (if they are also contributing at least three percent from their PPL themselves), beginning 1 July 2024;
- 3 **agreed** that Employer Superannuation Contribution Tax (ESCT) should apply to the government ‘employer’ contribution in the same way as to a conventional employer contribution;
- 4 **authorised** the Minister of Revenue to issue drafting instructions and to introduce a Bill containing the measures referred to in paragraphs 2 and 3 above;
- 5 **authorised** the Minister of Revenue and the Minister of Commerce and Consumer Affairs to make further policy or operational decisions consistent with the policy decisions in the paper under DEV-23-SUB-0068;
- 6 **noted** that the Bill referred to paragraph 4 above is scheduled to be introduced on Budget night (18 May 2023), will go through the normal select committee process, and will be enacted by 31 March 2024.

Janine Harvey
Committee Secretary

Present: (see over)

Present:

Hon Dr Megan Woods (Chair)
Hon Michael Wood
Hon Dr Ayesha Verrall
Hon Damien O'Connor
Hon David Parker
Hon Peeni Henare
Hon Ginny Andersen
Hon Barbara Edmonds
Hon Dr Duncan Webb
Hon Dr Deborah Russell
Hon Rachel Brooking
Jo Luxton, MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV