



Inside Koinonia special edition

This is a special edition of Inside Koinonia, which accompanies your member statement and the 2009 Trustee Annual Report.

The newsletter is usually produced twice a year and sent out via email. If you don't receive a copy and would like to, provide us with an email address and we will add you to the list.

The newsletters can also be downloaded from the Koinonia Fund website: www.koinoniafund.org.nz

Investment markets showing positive rebounds

The investment markets have been showing more positive signs in the first four months of the new scheme year. This is welcome news after two tough years.

The gross investment return (i.e. before tax and expenses) for the first quarter was:

Growth Pool	6.5%
Balanced Pool	5.4%
Conservative Pool	3.4%

A promising start to the year, but there is still a lot of nervousness out in the investment markets, with worries about world economies. We remain cautious, expecting some falls to accompany the rises.

Electronic delivery

To save costs for members, from next year we will be offering an electronic copy of the Annual Report instead of a printed copy. This will save on printing and postage costs.

If you would like to receive the Annual Report via email in future please advise us of this, in writing (either by letter or email).

Member Tax Credits

Payment

In early July the Trustees applied for the Member Tax Credit (MTC) for the year ended 30 June 2009. For most members we received the MTC payment from Inland Revenue on 9 July 2009 and credited it to member accounts on the same day.

Non payment – residency issue

We have not been able to claim the MTC for some members because the proof of residency requirement has not been satisfied. In June we wrote to those affected members seeking proof of residency. If you received that letter and have not responded then there is still time to claim your MTC. Once we receive proof of residency we can put in a MTC claim for last year.

What's in a name?

We have had queries about being paid out the MTC. The term Member Tax Credit was a strange choice of words because it has nothing to do with tax. It is certainly not a tax refund or a cash payment. It is one of the Government incentives and is locked-in just like other contributions to a KiwiSaver account. The best way of looking at it is that the MTC is a bonus contribution from the Government. The Government will match your personal contributions dollar for dollar up to the annual maximum. The maximum MTC is \$20 per week, which works out at \$1,042.86 per annum.

An inequity that has been raised by some with the Government is that the MTC is not available to members under the age of 18.

Maximise your credit

If you have been a KiwiSaver member for the entire year and find that your contributions will be below the maximum then you have the opportunity to make a voluntary contribution to top up your contributions and maximise your MTC payment. The MTC "financial year" runs from 1 July to 30 June, which is different from the scheme year which runs from 1 April to 31 March.

Further information on the Member Tax Credit can be found on the Government's KiwiSaver website: www.kiwisaver.govt.nz

Tracking contributions

The Koinonia Fund website allows you to look at your transactions but it only covers payments received by the Fund. For many employees it can take months from when your contribution is deducted from your pay packet until it reaches the Koinonia Fund. To explain the process, the Inland Revenue has produced a guide entitled "Keeping track of your KiwiSaver payments" (KS42). For your information a copy of the guide is included with this newsletter.

If you want to keep track of your contributions while they are with Inland Revenue then you can register for their personalised information service "Manage my KiwiSaver".

Registering will give you access to online services on both the KiwiSaver and Inland Revenue websites. Further information can be found on the Government's KiwiSaver website: www.kiwisaver.govt.nz.



Mortgage diversion

The Government closed the KiwiSaver mortgage diversion facility to new applicants from 1 June 2009. Members who were using mortgage diversion at 1 June 2009 can continue to use it for as long as their scheme and mortgage provider wish to offer this facility.

The closure of the mortgage diversion means that members who stop using mortgage diversion from 1 June 2009 will be unable to restart, and those who transfer between providers will be unable to continue using mortgage diversion.

Fund performance

At 30 June 2009

Fund Pre-tax Returns	3 months	6 months	12 months
Koinonia Conservative	3.3%	3.2%	2.8%
Koinonia Balanced	5.3%	2.9%	-2.3%
Koinonia Growth	6.5%	2.6%	-6.1%

These investment returns **include** investment expenses. They **exclude** taxation, fund administration expenses, kick-starts, fee subsidies, member tax credits and crown interest.

All returns are **provisional**.

Trans-Tasman portability

In July the New Zealand and Australian Governments signed a Memorandum of Understanding to establish a trans-Tasman retirement savings portability scheme. This will enable New Zealanders and Australians to transfer their retirement savings across the Tasman when they move. However the legislation to establish the portability scheme is not due until mid 2010. Once the details are known we will cover it in a future newsletter.

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**Prepared by The New Zealand Anglican Church Pension Board
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