

HMNZS NGAPONA ASSOCIATION INC

LONGCAST

6 February 20 – Waitangi Day
14 February 20 – Navy Club Lunch – Remuera Club
14 – 16 February 20 – Motuihe Island Reunion
21 February 20 - Ngapona Assn Lunch at Titirangi RSA
13 March 20 - Navy Club Lunch – Remuera Club
20 March 20 - Ngapona Assn Lunch at Waiheke RSA
17 April 20 - Ngapona Assn Lunch at Henderson RSA

Hi Folks

KIWISAVER QUERY

This question was posed by Grant Morrell, ex matelot friend of mine – “You have just reached the age of 65, you retired a year ago so no wage or money going in the Kiwisaver scheme. Q - what do you do with the funds, leave or withdrawal. There is word that the Govt is intending only a drip feed use. At present investment returns are just ahead of the fees. Also told the interest earned on my kiwi saver is deducted off your Govt pension which for me is pretty low per fortnight. Any expert knowledgeable ex jacks out there with advice please.”

The following information was supplied by Fred Wilson:

KiwiSaver when you turn 65

Option 1 – Withdraw your savings

- You can withdraw your savings, in whole or in part, when you turn 65.
- You can:
 - withdraw small sums when you need to, or
 - make regular withdrawals, or
 - take out the whole amount as a lump sum — your KiwiSaver account is then closed and you can't start contributing again.
- Withdrawals from your KiwiSaver account are tax free in New Zealand.
- To make a withdrawal contact your KiwiSaver provider. You will need to make a statutory declaration the first time you withdraw funds.

Option 2 – Stop working and leave the money in your KiwiSaver account

- You don't have to do anything, just because you turn 65. If you don't need additional funds right away, you can
 - leave the money in your KiwiSaver account where it will continue to earn,
 - keep making contributions (regular payments, lump sums, or transfers from another scheme) to add to your earning principal.
- You can also choose to stop contributions (a savings suspension) or change the rate you're paying.

BUT you will no longer be eligible for the Member Tax Credit (Government contribution).

Option 3 – Keep working after you turn 65

- If you continue working, deductions from your pay into your KiwiSaver account will continue as before.
- You can also choose to stop contributions (a savings suspension) or change the rate you're paying.

BUT you will no longer be eligible for the Member Tax Credit and your employer contributions will cease unless your employer chooses to continue them, or you have a contract requiring that they continue.

Getting better returns

Particularly for those that stop working and/or cease contributions after turning 65, the growth in your KiwiSaver account may seem miserable in the current low-interest rate environment and any gains will still be being taxed, as before. There is no silver bullet to getting better returns, but you can consider:

- Changing your scheme provider. To do this, you must apply directly to the provider of the scheme you want to join. Your new provider will then arrange for your savings to be transferred from your old scheme to the new one and notify you of the transfer. You may be charged a transfer fee by your old scheme provider and will need to check this with your provider. Some providers charge higher fees than others and this may also erode returns.
- Change your scheme to one that gives potentially better returns, but at a greater risk. You should only do this after getting appropriate advice.
- Withdrawing your KiwiSaver contributions and investing the funds yourself to avoid paying fees to a provider. You will still be taxed on the gains, and this is a high-risk strategy unless you are knowledgeable about investment opportunities and risks. You should only do this after getting appropriate advice.

Notes:

1. This does not constitute personal advice and covers only generic issues that may not apply to all individuals. Always consult your KiwiSaver provider before taking decisions, or seek other professional advice. Further advice is available at <https://www.kiwisaver.govt.nz/> and <https://sorted.org.nz/>
2. If you started KiwiSaver contributions after you turned 60 and you joined before 1 July 2019, then special conditions apply.

The two things that are true and incontrovertible are that your KiwiSaver provider should be your first point of contact, and that all savings schemes are liable for tax.

Thank you for doing the research Fred. - Ed

SHIP OF THE WEEK – HMNZS KAHAWAI

HDML 1191, P3553, HMNZS *Kahawai* was one of 16 Harbour Defence Motor Lunches (HDML) to be delivered to the RNZN in 1943-44. She was commissioned on 28 September 1943, undertaking anti-submarine patrols with the 125th ML Flotilla at Wellington. 30/8/46 Commenced duties as a Tamaki 'tram' running between Motuihe Island and the Naval Base through to the closure of the service in August 1963. Renumbered P3553 in March 1950, until being commissioned as HMNZS *Kahawai* in April 1966 for fishery protection. Transferred to the VR Divisions in 1972 until sold in 1976. She was laid-up at Kopu in Thames for some time before being burnt in 1997.



HMNZS Kahawai



At Kopu



DID YOU KNOW?

On 7 February 1863, HMZ *Orpheus* foundered on the Manukau bar with the loss of 189 lives. It remains New Zealand's worst maritime disaster.

Bringing naval stores from Sydney, the modern 1706-ton steam corvette HMS *Orpheus* ran aground on the bar at the entrance to Auckland's Manukau Harbour. Of the 259 naval officers, seamen and Royal Marines aboard, 189 died. In terms of lives lost, it remains New Zealand's worst maritime disaster.

Minor errors and bad luck caused the disaster. Instead of rounding North Cape to reach Waitematā Harbour, Commodore William Burnett decided to berth at Onehunga in Manukau Harbour to save time. Unfortunately, he carried outdated charts and the channel through the bar had moved. Although lookouts on shore signalled a warning when they realised the ship was off course, the *Orpheus* missed the message.

After striking the bar, the vessel was pounded by waves and only one small boat got away. As the ship sank into the sand, the men climbed the rigging. The masts eventually collapsed, throwing the crew into the sea. Rescuers arrived too late to prevent a catastrophe.



Regards

Jerry Payne

Editor

HMNZS Ngapona Assn

021 486 013