Significant Financial Hardship
Information Sheet

A Significant Financial Hardship (hardship) withdrawal may be available to help you during times of financial difficulty. This pack explains who is eligible, the process, and how to apply.

NZ Funds has partnered with Debtfix, a not-for-profit organisation that specialises in helping New Zealanders through financial hardship. At no cost to you, Debtfix will assist you in completing your application and gathering the required documentation for the Supervisor.

You can start the at hardship process online at www.nzfunds.co.nz/direct/significant-financial-hardship/

Am I eligible for a Significant Financial Hardship withdrawal?

Access to your KiwiSaver savings is governed by law. To be eligible for a significant financial hardship withdrawal, you must be able to demonstrate that you are currently, or likely to be, in at least one of the following situations:

- you are unable to meet minimum living expenses;
- you are unable to meet mortgage repayments on your family home, and the mortgagee is taking steps to enforce the mortgage;
- you need to modify your home to meet special needs arising from a disability affecting you or a dependant;
- you are unable to pay for medical treatment for an illness or injury affecting you or a dependant;
- you have incurred funeral costs for a dependant;
- you have incurred palliative care costs for you or a dependant; or
- you are suffering from a serious illness.

You must have explored and exhausted reasonable alternative sources of funding and evidence of this may be required.

What are 'minimum living expenses' ?

Minimum living expenses include the actual and reasonable costs of:

- basic food and grocery items;
- accommodation (including mortgage payments, rent, rates, insurance, repairs and maintenance of the principal family home);
- basic clothing;
- utility services (power, gas, phone);
- transportation (including vehicle registration, insurance, repairs and maintenance);
- medical and dental costs essential for the maintenance of good health; and
- school fees (excluding private schools) and tertiary education costs.

If you can't meet minimum living expenses, The New Zealand Guardian Trust Company Limited, who are the Supervisor of the NZ Funds KiwiSaver Scheme (the Supervisor), will consider releasing three months (13 weeks) of your deficit and arrears of overdue accounts (depending on what they are).

If the significant financial hardship continues, please get in touch with Debtfix who will see if you are eligible for a further withdrawal. While not defining, any prior significant financial hardship withdrawal applications may be a relevant factor in considering a subsequent application.

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Who are dependants?

Dependants include a partner, children (under 18) and/or relative. To be a dependant, the person must be financially dependent on you.

What is not considered to be Significant Financial Hardship?

Significant financial hardship withdrawal applications will not usually be granted where the purpose is to:

- pay down debt generally (excluding overdue amounts);
- pay outstanding credit card balances (excluding overdue amounts);
- pay Court fines;
- clear WINZ debt;
- pay private school fees;
- clear arrears relating to investment properties; or
- clear debt collection bills (unless Judgement has been obtained).

How much can I withdraw?

How much you can withdraw is based on the amount needed to relieve your hardship. This is generally equivalent to 13 weeks of minimum living expenses shortfall, plus approved arrears.

You cannot withdraw:

- the $1,000 kick-start (if applicable), or
- any Government contributions.

What is the process?

NZ Funds has partnered with Debtfix, a not-for-profit organisation that specialises in helping New Zealanders through financial hardship.

Debtfix®
The debt solution specialists

At no cost to you, Debtfix will:

- work with you to understand your situation and find practical solutions;
- guide you through the hardship withdrawal process if appropriate; and
- assist you in completing your application and gathering the required documentation for the Supervisor.

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How do I apply?

1. Complete the initial assessment online on our website*.
2. Debtfix will review your information and be in contact to discuss.
3. If you decide to proceed with a hardship application, Debtfix will provide you with a NZ Funds Significant Financial Hardship Application for Withdrawal form.
4. Complete the application in full.
5. Gather all supporting documents.
6. Visit a Justice of the Peace or other authorised person to witness your Statutory Declaration and certify your identification and address documents.
7. Send your completed form and supporting documents to:
   Email: nzfunds@debtfix.co.nz, or
   Post: Debtfix, 20 Florence Avenue, Orewa, Auckland 0931.
8. Debtfix reviews your application and will contact you if anything is missing or if further information is required.
9. If appropriate, Debtfix will submit your application to the Supervisor for a final decision.
10. Debtfix will notify you of the outcome or request additional information if needed.
11. If approved, Debtfix will arrange payment to the bank account you have provided, through the NZ Funds KiwiSaver Scheme registry provider.

What information is required to support my application?

You are required to provide evidence that you are currently, or are likely to be, experiencing significant financial hardship.

Each application for a significant financial hardship withdrawal is unique, so not all of the information listed below will be relevant for all applications; or additional information not listed may be required.

The information provided in support of a significant financial hardship withdrawal should be less than three weeks (15 business days) old, otherwise it is likely to be treated as outdated by the Supervisor.

The main types of information that will be required for you and, if applicable, your partner are:

Bank statements (individual and joint) for the last 90 days for all accounts in your and your partner's name.

Evidence of income (for you and, if applicable your partner)

- If employed, the last three payslips of the applicant and partner.
- If receiving a WINZ benefit, ACC or paid paternity leave, evidence of amount.
- If self-employed, your most recent Summary of Earnings (see MyIR).
- If redundant, redundancy letter and final payslip of applicant (and partner, if applicable).
- If medically unfit to work, letter from a doctor to confirm time away from work for applicant (and partner, if applicable).

* www.nzfunds.co.nz/direct/significant-financial-hardship/

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Support for any overdue balances and other expenses (finance and credit arrangements)

- Utility bills (this includes Sky).
- Store cards – Gem, Qcard, Farmers etc.
- Credit cards.
- Personal loans.
- Car loans.
- Car repair invoices.
- Finance company loans.
- Rates – copies of recent rates notices.
- Childcare and educational costs.
- Other overdue bills.

Statements should include the outstanding balance, minimum payments, overdue amount and be less than thirty days old.

Living arrangements

- A letter or mortgage statement from your mortgage provider.
- A tenancy agreement or certified letter from your landlord.

Evidence that alternative sources of funds have been exhausted

- Bank statements.
- Details of savings accounts.
- Details of any other investments.
- Details of any other potential sources of funds.

If applicable

- Quotes for a vehicle valued at $10,000 or less, plus a written explanation of why the vehicle is required.
- Quotes for the proposed home modifications, accompanied by confirmation from a medical practitioner that the modifications are required due to a disability.
- A medical report and a quote or unpaid invoice for any required medical treatment.
- Rental property quotes, including the weekly rent and bond amount, along with documentation confirming the reason for relocation (e.g., eviction notice or confirmation that the tenancy is ending).
- Evidence of cost of palliative care for applicant or the applicant's dependant, letter from a doctor to certify the illness and level of care required.
- Evidence of funeral costs.

You are required to provide evidence that you have exhausted all other options, which includes but is not limited to applying for assistance with Work and Income, applying for hardship with your creditors. Debtfix will explore with you whether any other options may be available.

Who makes the decision?

Access to your KiwiSaver savings is governed by law. The final decision on whether your situation meets the hardship criteria is made by The New Zealand Guardian Trust Company Limited who are the Supervisor of the NZ Funds KiwiSaver Scheme (the Supervisor).

Debtfix will review the application before it goes to the Supervisor and will make a recommendation as to whether the application should be granted (or not) but ultimately it is the Supervisor's decision.

It is also important to be aware that so long as the Supervisor has followed proper process in making their decision, there is effectively no ability to appeal their decision other than by an application to the High Court.

How long will it take?

Once all required information, including supporting documentation, is provided, Debtfix will advise you of the Supervisor's decision within five business days of submitting your full application.

This timeframe begins only once your full application and supporting documents have been received.