**Cost of living crisis affecting retirement savings**

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Thousands of New Zealanders have suspended contributions to their retirement fund due to the cost of living crisis and this will affect them when their retirement comes around.

New Zealand financial adviser Carissa Fairbrother advised people to keep sowing into your kiwisaver whatever your financial circumstances. Look at where else you can make cutbacks because not investing into your Kiwisaver will affect you when you retire.

Kiwisaver is New Zealand's retirement scheme; it is voluntary, unlike the retirement schemes of other countries which are mandatory.

There is a $520 tax credit per annum for contributions to Kiwisaver but to obtain this investors will need to deposit a minimum of $1040 every year. This is just like getting 50% interest on your money for the first year the money is deposited.

Any one who is a New Zealand resident can join kiwisaver. There is no upper or lower age limit. People under the age of eighteen or sixty five and over are not eligible for the $520 per year tax credits. It is still a good idea to join kiwisaver despite this for several reasons.

The $520 tax credits or government incentives as they are sometimes called is paid out in July into your Kiwisaver. If you contributed less than $1,040 during the previous year then you will receive 50% of your contributions.

The Kiwisaver year begins on July 1 and ends on June 30. It makes sense to check your contributions during the year and to make sure that you deposited at least $1040 by June 30.

One is it will give the young ones a good start to life as far as savings are concerned and it will also give them a good education in finances.

For those aged 65 and over, it is still a good idea to keep contributing to your kiwisaver if you are not going to be using it in the short term.

Buying your first home

If you are purchasing your first home you may be able to use some of your kiwisaver for a deposit. It is all the more reason to start saving as early as possible as it will enable you to reach your goals quicker.

There are other circumstances where you may be able to access your Kiwisaver early. These are if you have a terminal illness, you are moving overseas permanently, or due to financial hardship. There are lots of hoops to jump through before you can access your money.

It is all the more important to have a rainy day fund when everything is going well for you and not just fritter away your discretionary spending money because things do go wrong in life.

It is never too late to join Kiwisaver, you can still join even if you are 65, though you are not eligible for the government incentives. It is still worth your while joining. It is a good way to play the share market.

You are never too young to join kiwisaver. You may not be eligible for the government incentives until you are 18 but joining early then having family members make contributions while you are still at school will give you a good financial platform for the future. Who knows, a rich uncle may leave you a sum of money in his will to be deposited into your kiwisaver.

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