**Now is a good time to join kiwisaver if you have not already**

Written by R. A. Stewart

It is a good time to join kiwisaver if you are young and just starting out in the world. If you are over 30 and have not already joined kiwisaver then why not? Kiwisaver is the New Zealand retirement scheme. If you are in work you will get the equivalent of 3% of your gross wages from your employer deposited into your kiwisaver account. 2%, 4%, or 8% (you choose) of your gross wages will be deposited into kiwisaver and deducted from your pay. You can also make voluntary contributions to your kiwisaver account. This is an option used by those who are self employed or not in work.

The government's contribution to your kiwisaver is what makes this a no-brainer. You will receive $520 of government money into your kiwisaver account but you need to invest at least $1040 to receive the full $520 otherwise the government contribution is 50% of your contribution. This is per annum; in other words you need to invest at least $1040 into your kiwisaver account per annum to receive $520 of government money every year.

The Kiwisaver year begins on July 1 and ends June 30 the following year. If you are on part time work and it looks as though your kiwisaver contributions are going to be less than $1040, you can make voluntary contributions to ensure your own contributions reach $1040.

In order to take advantage of the falling share prices you need to be in a growth fund or have some portion of your portfolio in a growth fund, otherwise called a balanced fund. If you are in a conservative fund then you are going to miss out on the market rebound. Financial experts will tell you that if you are in a growth fund then you need to leave it invested for at least five years. That way, if the market falls during this time there will be time for it to recover and recoup any losses which it has to be said are only paper losses.

Money which is needed for the short term such as a holiday abroad next year is considered short to medium term money. If you had this money invested in a growth fund you may find that your spending money for your trip has been depleted therefore, to reduce this from happening investing in something less risky is an option taken by a lot of holiday makers even though the return on this money is less than the inflation rate.

If you are prepared to take the risk then you might consider investing your short term money in growth funds in the hope of increasing your capital but it is important to understand that whenever there is an opportunity for capital gain then there is a chance for capital loss.

It cannot be stressed enough that it takes a cool head to live through the ups and downs of the share market and be relaxed about it. One thing you can always bank on is that the share market will go up and down. It is important to have a strategy in place to take this into account.

Diversification minimizes your risk. Diversification is when you spread your investment among several companies. One company might fall over but not the whole lot.

Some may argue that if you plunge all your money in one stock then you will make a killing; that is true, but you never hear of those who tried that and lost. If you are going to do that then it should be done independently of your main investments rather than risk your retirement savings going down the drain.

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