



Mee & Henry

Law Limited

Are you A KiwiSaver Member?

If so, and you've been a member of KiwiSaver for 3 or more years you may be able to withdraw some of your KiwiSaver savings to put towards buying your first home. If you are eligible, you will be able to withdraw the current value of your contributions and your employers' contributions. From 1 April 2015 you can now withdraw any member tax credits (MTC) providing you have been in New Zealand for each year that you earned MTC. You cannot withdraw the \$1,000.00 kick-start.

First Home Deposit Subsidy

After 3 years of contributing to KiwiSaver, you may be entitled to a Home Start Grant ("the Grant"). The Grant is \$1,000 for each year you've been contributing to KiwiSaver, up to a maximum of \$5,000. If you're a couple buying a house together and you both qualify for the Grant, you could receive a combined subsidy of up to \$10,000.

If you are buying a new house you may qualify for double the Grant.

Examples of what you might be entitled to:

If you are purchasing an existing/older home:

- 3 years of contributing = \$3,000 (the minimum you can get)
- 4 years of contributing = \$4,000
- 5 years of contributing = \$5,000 (the maximum you can get).

If you are purchasing a new home, a property bought off the plans or land to build a new home on, the HomeStart grant is \$2,000 for each year of contribution to the scheme:

- 3 years of contributing = \$6,000 (the minimum you can get)
- 4 years of contributing = \$8,000
- 5 years of contributing = \$10,000 (the maximum you can get).

To be eligible for the Subsidy, you must:

- Be 18 years or over.
- Not own a home or land.
- Have not received the HomeStart grant or previous KiwiSaver deposit subsidy before.
- Be a member of a KiwiSaver scheme, complying fund or exempt employer scheme (contact your scheme provider to check your scheme is eligible).
- Have contributed at least the minimum allowable percentage of my total income to a KiwiSaver scheme, complying fund or exempt employer scheme for at least three years. (From 1 April 2013 the minimum contribution was increased to 3 percent of your income, 3 percent of the minimum wage for non-earners or 3 percent of your yearly benefit for beneficiaries. From 1 July 2007 to 31 March 2009 the minimum contribution was 4 percent, and from 1 April 2009 to 31 March 2013 it was reduced to 2 percent.)

- If you are the sole buyer and I have earned \$80,000 or less (before tax) in the last 12 months.
- If you are two or more buyers who have earned a combined income of \$120,000 or less (before tax) in the last 12 months.
- I have a deposit that is 10 percent or more of the purchase price. (The 10 percent deposit includes the money you can withdraw through the KiwiSaver first-home withdrawal feature, the HomeStart grant amount you or the other purchasers may be eligible for and any other funds, such as savings, fixed and term deposits or funds already paid to a real estate agent or solicitor. The deposit can also be gifted by a relative with a gifting declaration.) Note that the deposit cannot be borrowed or secured against other property, in order to qualify.
- Be am buying one of the following types of property and land arrangements:
 - fee simple
 - stratum estate (freehold and leasehold)
 - cross-lease (freehold and leasehold)
 - leasehold
 - multiple-owned Maori land.
- Be purchasing a home under the local price cap (Southland price cap is \$350,000.00 (as at 1 April 2015))

**If you've owned a home before, in some circumstances you may still be eligible for the first home deposit subsidy. Housing New Zealand will need to determine that you are in the same financial position as a first home buyer*

Important Note!

Housing New Zealand require a minimum of **4 weeks** from the date your application is approved until the settlement date. You must ensure that the **settlement date** for your purchase gives you plenty on time to have the application processed and approved.

What you need to do...

If you wish to withdraw your KiwiSaver funds or apply for the Grant, we strongly recommend that you contact us, or your mortgage broker as soon as possible. We can assist you with completing the forms and ensure that the forms are sent away within the required timeframes.

Once you have been approved by Housing New Zealand and all documentation has been signed, the Grant Funds are sent and held in our trust account until settlement day.

Your Scheme Provider will forward us your KiwiSaver funds directly to our trust account, which will be held until settlement day.

Please note that if you sign an agreement for sale and purchase where a deposit is payable to the real estate agent or vendor directly, you cannot use your KiwiSaver funds or the subsidy to pay this.

If you have any questions at all we will be more than happy to help

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