



Pensions and Intergenerational Equity Hub

Newsletter for quarter ended 31st March 2025.

The PIE Hub has long been concerned about the growing fiscal pressures of an ageing population and the increasing degree of hardship among current retirees. This was also a focus of a visit to New Zealand by the International Monetary Fund (IMF) in March.

The visit coincided with the release of a major PIE research project that shows a possible way of saving significant expenditure on NZS that could be redirected to better uses within the social security system, including better support of low-income retirees and relieving poverty among families. Saving significant fiscal costs with least damage is not any easy exercise. The PIE Working Paper released on the 5th March 2025 shows how it can be done:

[New Zealand Superannuation as a basic income](#). PIE working paper 2025-1: March 5th 2025: The modelling illustrates that significant savings may be achieved from a suitably progressive separate tax schedule for those who opt onto the basic income, called here the New Zealand Superannuation Grant (NZSG). Alignment of the various rates of NZS may generate additional saving.

The paper investigates various options, and we thank Treasury for modelling the cost savings using the tax and benefit model TAWA. This of course does not imply policy endorsement of the PIE paper. The results show that at minimum, around \$3 billion per annum could be saved, with more possible over time. In 2025 more work is being done by Treasury on long term fiscal projections, where the impacts are not just from the ageing of the population but also climate change and geopolitical uncertainty. PIE is contributing to that work and to the 2025 Retirement Commission's review.

As part of the New Zealand – 2025 IMF Article IV Consultation the IMF officials met Susan St John at Auckland University on February 27th to discuss the latest PIE working paper and superannuation policy. We look forward to their forthcoming NZ report.

We continue to monitor housing conditions. Dr Claire Dale outlines three critical policy changes would improve rental affordability for older people. The 2025 Review of Retirement Income Policies provides an ideal opportunity to make those necessary changes. in [Policy changes would improve rental housing options for older people](#), PIE Commentary 2025-1:

PIE media & publications

- Anne Marie Coury Interview with Susan St John on Senior focus: New Zealand Superannuation [Listening on Planet FM 104.6 FM | Auckland New Zealand](#) March 31st 2025

- Dale, MC, [Urgent reforms needed to keep older people in affordable homes | The Post](#), 27th March.
- Terry Baucher reviews 'NZ Super as a basic income' [Should NZ Super be changed to a UBI, and treated as a grant?](#) Interest.co.nz March 22nd 2025
- St John, S (2025) Newsroom, [NZ Super's urgent reform needs to be granted](#) (paywalled) 10th March
- Interview Newstalk ZB with Francesca Rudkin, 8th March
- [Susan St John On the Future Of Superannuation In New Zealand](#) | Michael Laws, The Platform and YouTube
- Interview with Susan Edmunds [Researcher Outlines Plan For Higher Tax On Well-Off Pensioners](#), Radio NZ, March 5th 2025, reported in Greymouth Star, Westport Times, Otago Daily Times and on NewstalkZB.
- St John, S (2025) [New Zealand Superannuation as a basic income](#). PIE working paper 2025-1: March 5th 2025:
- St John (2025) [Beware of ACT's kite flying](#). Daily Blog 10th February,
- St John, S (2025). [Don't let social service cuts lead us to our lowest point – Newsroom](#) 3rd February, 2025 and BFM interview [Budget Cuts to Social Services and the Effect on New Zealanders w/ the University of Auckland's Dr Susan St John: 4th February, 2025 | 95bFM](#)
- Susan St John Radio NZ interview with Susan Edmunds [My entire years wages, mum, 47k debt for working for families](#) 20th Jan and [We can barely make ends meet as it is': Mum facing \\$47k Working for Families debt](#) Star News 21st January 2025
- Dale, MC [Policy Changes Would Improve Rental Housing Options for Older People](#) *PIE Commentary 2025-1*