

June 2022

Dear RPRC supporters

As signalled in our last newsletter, the soon-to-be-established **Economic Policy Centre** in the Economics Department at the University of Auckland will host the research hub: **Pensions and Intergenerational Equity** (PIE) from July 2022. All the RPRC material will be archived to the new hub.

This change reflects that the policy issues for an ageing population are broader than just retirement policy. The quality of ageing in the 21st century hinges crucially on the health of the economy and the skills and caring ability of the working age population. The design of the whole welfare system not just pensions and KiwiSaver, but welfare support for those approaching 65, ACC and social insurance, as well as the investments we make in the young, in education, housing and in health, affect financial preparedness for retirement and the living standards of the older population.

This quarter, the RPRC contributed to the pensions debate in Ireland and to the launch of the ToR report: [PR 2022-1 Policy report - The Irish Autoenrolment](#). This independent commentary on the Irish Autoenrolment (AE) scheme by Susan St John is part of a wider review of the AE policy in Ireland by TOR Financial Consulting Ltd. It draws on the New Zealand experience with KiwiSaver and its relevance for women.

We might reflect on how fortunate we have been. The Irish scheme lacks many of the desirable features of KiwiSaver. These include the use the clearing house facility provided by the IR and the infrastructure of existing private providers allowing maximum ease of choice for the member. But critically also, compared to the debate in New Zealand, there is far less awareness of underlying gender bias.

We are pleased to report that in line with the [Pensionbriefing:2021-3 KiwiSaver by the numbers](#), the Retirement Commissioner (RC) Jane Wrightson commissioned a survey of the top KiwiSaver providers to give sorely lacking information on average balances of KiwiSaver accounts by age and gender (see [Te Ara Ahunga Ora Retirement Commission 2022 'Policy Brief 01: KiwiSaver Balances'](#)). We expect the 2022 Review of Retirement Income Policies will recommend a much wider annual collection of median and average balances be reported by the Financial Markets Authority.

We welcome the RC's ['Work and the Workforce'](#) report. Among New Zealanders aged 65+, 24% are still working. This compares to the UK rate of 10%, Australia 12%, USA 19% Japan 20% and Iceland 35%. But ageism is a problem. A survey of 500 companies in New Zealand showed 33% were worried about the impact on their business of the ageing workforce. Yet 80% had no specific strategies or policies to recruit or retain workers aged 50+, and 65% agreed that older workers can face barriers to being hired because of age. There are many issues including the design of KiwiSaver which disadvantage those without the traditional male pattern of full-time employment between ages of 18 and 65.

### **Current projects**

- Work continues on an update to our 2019 KiwiSpend annuity proposal that seeks to protect older people from longevity, inflation and investment risk and may also incorporate an insurance addon for long term care.
- We are also investigating the current situation for housing for older people, and comparing that with some of the best solutions operating overseas. As fewer retirees are debt-free homeowners, a housing crisis is looming for older people. Our supplementary housing assistance for older people is poorly design and in need of review. A better housing future for older New Zealanders also requires that we get the taxation of housing right. We continue to work on developing an alternative, and more effective solution, to a comprehensive capital gains tax.
- In August, M.Claire Dale will deliver a keynote presentation on retirement and chair a panel discussion on 'Decumulation' at the SIFA Conference, Queenstown.

## **Publications, invitations and media contributions June Quarter**

**6 April 2022, RNZ Morning Report**, M.Claire Dale is quoted in [Gender wage gap persists into retirement – report](#)

**6 April 2022, NZH**, Tamsyn Parker quotes Susan St John in *KiwiSaver gender gap*.

**21 April 2022**, M.Claire Dale was appointed to the Ministry of Social Development's Expert Advisory Group: Older People, Vulnerability and Multiple Disadvantages.

**3 May 2022, [enrichretirement.com](#)**, Liz Koh interviewed M.Claire Dale about the key issues for wellbeing in retirement.

**1 June 2022**, researchers at BERL interviewed M.Claire Dale on 'Ways to encourage older people to stay in or join the workforce'.

**27 June, 2022, IAPF Podcast - [Good DC Design](#)**, Susan St John interviewed by Jerry Moriarty from Irish Life.