

Media Release

13 June 2007

Official Cash Rate rise a trigger for families and individuals to sort finances

The Retirement Commissioner, Diana Crossan says recent interest rate rises mean it is now more critical that New Zealanders take time to sort their finances.

Ms Crossan says interest rate rises are going to have significant impacts on people's financial position and may impact on their ability to save or opt into KiwiSaver.

"Home loan rate rises will sooner or later affect even those on fixed rate mortgages. And the increased costs of the repayments could well affect their ability to afford putting 4% of their income toward KiwiSaver," says Ms Crossan.

"It's tempting to ignore interest rate rises if you are on a fixed mortgage, but you need to prepare in advance for when it expires. If you are going to commit 4% or 8% of your income to KiwiSaver, you might find it difficult to meet in the increased cost of your mortgage."

The Retirement Commission has launched its new Sorted KiwiSaver Decision Guide to help New Zealanders make an informed decision about the scheme, in the context of their overall financial situation.

Available at the free, independent website sorted.org.nz, the guide helps step people through the issues to consider when deciding to stay in, opt in or opt out of the scheme.

"Affordability is the key issue people will have to consider. Can they afford to contribute 4% or 8% of their pay? Do they know what effect this will have on their overall financial situation?" says Ms Crossan.

"Our Sorted KiwiSaver Decision Guide and other tools including 'Sort Me', our new online financial check-up, and the Sorted Quick KiwiSaver Calculator, and our budget calculator all help Kiwis to make an informed decision about the scheme based on their personal financial situation.

"I encourage all New Zealanders to use our free, independent Sorted tools before deciding whether or not to join KiwiSaver," says Ms Crossan.

Check out the Sorted tools here:

<http://www.sorted.org.nz/>

For more information please contact:

Robyn Cormack
Marketing & Communications Manager
Retirement Commission
Tel: 04-494 6243

Mobile: 021 242 7936

Email: robyn.cormack@sorted.org.nz