

Making changes and time to review?

Greetings from the expanding team at Currey Financial Services. No we have not been overindulging during summer, at least no more than normal!

Our expansion is merely in the number of advisers we have to provide our personal professional service, and to this team we now add Donna Peters. Donna joins us from Dargaville where she has been a financial adviser for several years as well as show jumper and fulltime mum! We welcome Donna, not because Bill wishes to further cut back his hours, but because our offer to you is that we will be able to talk and provide insurance or investment options when it suits you. Our daily lives are increasing in complexity and we intentionally differentiate ourselves in providing personal attention so if you cannot wait for our annual call please call us. Some reasons for calling us could be merely that:

1. You have left employment and entered into self employment.
2. Your company now employs 10 staff and if you were sick your income would not be affected and the income protection policy is redundant.
3. The kids have left home, your mortgage has been cleared and you're wondering why you have life insurance.
4. You are about to leave fulltime work and your health insurance is very expensive and may be unaffordable.



UNUSUAL RETIREMENT PLANS

1000 - F.A.I.

I'll take a thousand bucks, stick it in a bank, "forget about it," and in thirty years I'll be pleasantly surprised.



M.K. Plan

"My Kids" will take care of me. I'm virtually certain of that.



Jackpot Account

I'm not going to need one, because I'm going to be RICH, yessirree Bob.



The ? Plan

Who can plan, like, next week? Because an asteroid could smash into the Earth tomorrow, so what's the point?



Employment Choice Or Retirement - The Semantic Difference

The purpose of this article is to provide a counter balance to the often dragged out and dusted off belief that people in work today; baby boomer and the following generations, X, Y and Z, will reach a magical age, currently 65, and qualify for national superannuation and decide that they can live on 66% of the average national wage.

Currently the National Super provides approximately \$25,000 for a married couple and \$16,000 for a single person. I have not met anyone that is able to live on either figure without additional funds nor have I met anyone that would try. Instead I meet a variety of single people and couples that anticipate reaching an age and choosing to continue in paid fulltime work or reduce to part time work; in either case continuing to pay tax. This continuity of paying some tax obviously offsets some portion of their National Super. This is an important point because most of the opinion pieces that are written refer to a time in the future when two thirds of the population are receiving national super, and not paying any tax, while the remaining third are paying for the super by way of taxes. Affordability becomes a problem with the only solution appearing to be raising the age of entitlement.

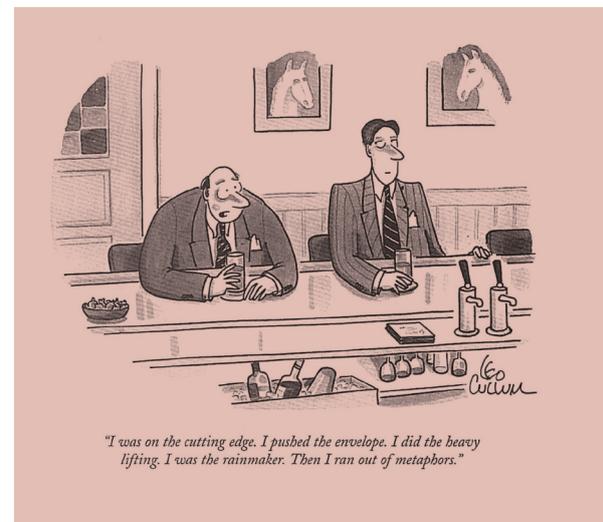
I would like to add my opinion and welcome any debate this causes! Using my crystal ball I suggest that in the year 2013, late second term of the national government, when KiwiSaver registers its two millionth member, the government shall declare KiwiSaver compulsory from 2014. Furthermore the kick start \$1,000 contribution will end as will the government 'tax credits' of up



to \$1,042 p.a. These will be replaced by employees having to increase their contributions from 2% to 8% by 2020 and the employer having to match these by the same year. If this scheme now sounds familiar, it is. This is an approximation of the Australian compulsory super scheme, and Australia is the country that with the 'global financial meltdown' did not technically enter a recession, and the same country that our current political leaders wish us to match in productivity and standard of living. Interestingly there will be little hue and cry as most of the voting public will already be members and have enjoyed the benefits of the proceeding 5 years. There will also be a very important knock-on effect and that is that in the same year 2020, National Super will be means tested and future affordability ensured. The low cost method of means testing used will be using KiwiSaver, a scheme that everyone will be enrolled in and a scheme

in which each individual will have a measurable comparable asset. Individual's wealth may be hidden behind trust or company accounts, but they will also have a KiwiSaver fund. Regardless of one's place on the political spectrum surely there is no argument that can dispute the allegation that paying the wealthiest individuals automatic National Super is both ineffective and inefficient use of taxpayer funds.

by Adam Currey



"I was on the cutting edge. I pushed the envelope. I did the heavy lifting. I was the rainmaker. Then I ran out of metaphors."

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Currey Financial Services Ltd

PO Box 12004 1 Olive Road Penrose. P 09 525 7022 F 09 525 7024 E info@curreyfinancial.co.nz www.curreyfinancial.co.nz

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