

Employee Retirement Plan

annual report

For the year ended 30 June 2022



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Overview



\$725.98

million
in net assets



\$79,822

average account
balance



3,323

members made
partial withdrawals



9,095

membership
at year end



19,811

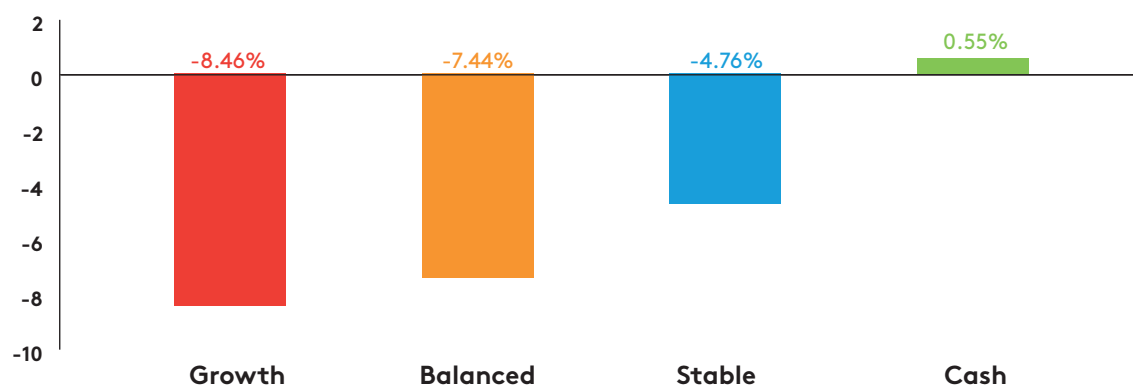
unique logins
during the year



3,441

calls to helpline

**Returns after fees & taxes for each investment option
for the year to 30 June 2022**



Visit page 2 for more information on investment option performance.

Trustee's Message

Welcome to the Employee Retirement Plan annual report for the year ended 30 June 2022.

The year ended 30 June 2022 reminds us that the outlook remains uncertain and is affected by the pandemic, political tensions, the war in Ukraine, and balancing supply and demand in various industry sectors. While we know markets do go up and down, and periodic negative returns from time to time are possible, it doesn't make it easier to experience. As you can see from the return charts on page 2, long-term returns are still positive.

Share markets were negatively impacted by the invasion of Ukraine in February that saw a large sell off in Russian assets due to the imposition of sanctions. Inflation reached multi decade highs and a competitive labour market and soaring oil prices continued to sustain pressures. Many central banks projected further conditions for raising rates, casting an uncertain outlook. In recent years, central banks would reduce interest rates to ease the pain, however high inflation readings are leaving central banks little option but to maintain their course and continue hiking interest rates.

The Plan offers four investment options; a cash fund and three diversified funds invested across a range of asset classes. The member booklet provides a good overview on the risk of investing, and a link to an online tool to help you find out your personal risk profile. Additionally, our website features a resources page that includes videos about market cycles.

It's important not to panic in uncertain times, and stick to your long-term savings strategy. If you don't have one, visit www.sorted.org.nz/tools/investor-kickstarter and use the online tools as a guide.

I recommend you to take a moment to read this annual report and your member statement, as these provide helpful information on your account and the Plan. And as always, if you have any questions about these documents please give Helpline a call on **0508 4 TEACH (0508 4 83224)** or email nztrsserp@mercero.com.

On behalf of the Trustee, Public Trust



Garry Hughes
Head of Client Services (Wellington)

19 September 2022



Investment Returns

The following graphs show the returns, after fees and tax, for each of the last five years, as well as the average annual return over five years for each investment fund.



Scheme News

Regular withdrawals

The Scheme offers members the option to apply for a regular withdrawal so you can regularly receive some of your savings, while keeping a majority of your savings invested in the Scheme. Members aged 55 to 65 who have reduced their working hours from full time down to 30 hours a week or less, or members who are age 65 or over, are eligible to apply for a regular withdrawal. This is a good way to have additional income, while still remaining a member of the Scheme. For more information about the regular withdrawal option, or to apply, please download the Regular Withdrawal Fact Sheet available at www.teachersretire.org.nz under 'Documents & Forms'.

Online investing platforms transform attitudes to investing

The Financial Markets Authority (FMA) great debate in early August 2021 focused on DIY investing. It is estimated that more than 250,000 New Zealanders are using online investment portals such as Sharesies, Hatch and InvestNow, three-quarters of them aged 25-44. Eight out of 10 New Zealand investors have a more favourable view of investing and financial markets after using online investing platforms, according to research released by the Financial Markets Authority - Te Mana Tātai Hokohoko. The research shows that investing has become "social", with new investors more likely to be influenced by online forums and an emotional connection with a company's brand than their financial reports and disclosures. To read more please visit www.fma.govt.nz/new-and-resources/media-releases

Switching your investment fund

The scheme offers you four investment funds – Growth, Balanced, Stable, and Cash. You have the flexibility to choose a single fund or a combination of funds for your current account balance or future contributions. You can make changes to your investment fund(s) allocation at any time. You can make an investment switch online when you log into www.teachersretire.org.nz or by calling 0508 4 TEACH (0508 4 83224). Before making any changes to your investment strategy, you should speak with a financial adviser and read the Member Booklet for the Scheme (available at the Documents page on the website for a description of the switching process). There is no charge for the first investment switch made within the financial year (1 July – 30 June). However, a fee applies for any subsequent changes during the same financial year. At the time of writing this article, the fee for subsequent changes is currently \$40. For more information on switching your investment fund, please visit www.teachersretire.org.nz/latest-news/investments/switching-your-investment-fund

Finding a Financial Adviser

A financial adviser can provide you with independent guidance and advice on superannuation and other financial services and products. The right adviser can save you time and help you achieve your financial goals. Remember, that it's your money, so the advice provided should focus on your individual requirements and, where necessary, take into account your short, medium and long-term needs.

Speak with several advisers before making a decision about which adviser to use. Find out if they only offer general financial guidance or are qualified (and have the experience) to provide advice that matches your particular needs. Some advisers charge a service fee, while others operate on a commission basis or may receive sales-related incentives. The Financial Markets Authority website, www.fma.govt.nz/consumers/getting-financialadvice, provides helpful information about choosing the right financial adviser. You can also find out more about individual financial advisers on the Companies Office's Financial Service Providers Register (FSPR), www.fspr.govt.nz.

Superannuation Rates

Each year, the Government reviews the rates of New Zealand Superannuation. NZ Super for the year ending 31 March 2022 is shown below.

		
\$27,988_{pa}*	\$25,745_{pa}*	\$42,500_{pa}*
Single person, living alone	Single person, sharing	Combined for married couple

*Before tax

For more information about eligibility, go to www.workandincome.govt.nz.



Statutory Information

Details of scheme

This is the annual report for the Employee Retirement Plan (the 'Plan') for the year ended 30 June 2022. The Plan is a restricted workplace savings scheme for teachers and principals in state and state-integrated schools.

Public Trust (the 'Trustee') is the Plan's licensed independent trustee and manager.

The Plan was closed to new members from 30 September 2008.

As at the Plan's 30 June 2022 balance date, the most recent fund updates were dated 30 September 2021. Since then, fund updates dated 30 September 2022 for the year ending 30 June 2022 were made publicly available.

The Plan's financial statements and auditor's report for the year ending 30 June 2022 were authorised for issue on 16 September 2022 and were lodged with the Registrar of Financial Service Providers on 19 September 2022.

Copies of the full financial statements (including the auditor's report) and fund updates are available on www.disclose-register.companiesoffice.govt.nz (search for Employee Retirement Plan) and on www.teachersretire.org.nz.

Information on contributions and scheme participants

The following table provides a summary of changes in Plan membership over the year to 30 June 2022:

	Contributing members	Non-contributing members	Total number of members
Membership at 1 July 2021	6,686	2,754	9,440
<i>Less</i>			
Retirement			186
Death and total permanent disablement			5
Transfers out			20
<i>Other</i>			
- Leaving service withdrawals			121
- Retrenchment/redundancy			5
- Ill health			7
- Permanent emigration			1
Total withdrawals			345
Membership at 30 June 2022	6,180	2,915	9,095

Note: There were no new members or transfers in as the Plan was closed to new members from 30 September 2008.

Members' Accumulations	30 June 2021	30 June 2022
Total members' accumulations	\$789,211,730	\$725,984,565
Number of members	9,440	9,095
Contributions	Members	Total amount
Member contributions	6,851	\$15,122,724
Member voluntary contributions	2,055	\$6,138,221
Employer contributions	6,737	\$14,934,117
Total contributions		\$36,195,062

Changes relating to the scheme

Trust Deed

The Trust Deed was amended on 30 January 2021 to reflect changes brought about under the Trusts Act 2019.

Statement of Investment Policy and Objectives (SIPO)

No changes were made to the Plan's SIPO during the year ended 30 June 2022.

A copy of the SIPO is available on the Plan's website www.teachersretire.org.nz and the Scheme Register www.disclose-register.companiesoffice.govt.nz (click on Search Schemes, enter Employee Retirement Plan, and click on the Documents tab).

Related Party Transactions

As at 30 June 2022, the Plan holds no investments in the employer or any of its related parties. During the year the Plan received \$14,934,117 (2021: \$15,316,984) of employer contributions. Trustee fees of \$209,188 (2021: \$194,717) were paid to Public Trust.

All related party transactions were conducted on arm's length terms.



Other information for particular types of managed funds

Withdrawals

Number of members

Full withdrawals	
Retirement	186
Leaving service/resignation/withdrawals	121
Retrenchments/redundancy	5
Transfer to another scheme	20
Death and total permanent disablement	5
Ill health	7
Permanent emigration	1
Financial hardship	0
Total full withdrawals	345
Partial withdrawals	
Financial hardship/Relationship Property	14
First home withdrawals	9
In-service withdrawals	3,300
Total partial withdrawals	3,323

Note: Partial withdrawals are payable to members who remain in the Plan.

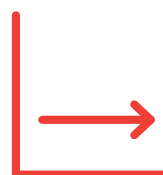
Year-end crediting rates - Plan investment options



Growth
-8.46%



Balanced
-7.44%



Stable
-4.76%



Cash
0.55%

Declared interest rates for the year to 30 June 2022

The declared interest rates are the rates applied to benefits paid out during the year.

	Growth	Balanced	Stable	Cash
2021				
July	0.52%	0.57%	0.60%	-0.01%
August	1.66%	1.23%	0.40%	0.02%
September	-1.82%	-1.46%	-0.74%	0.01%
October	1.23%	0.82%	0.08%	0.01%
November	-0.33%	-0.26%	0.02%	0.04%
December	2.47%	1.91%	0.75%	0.03%
2022				
January	-3.75%	-3.04%	-1.60%	0.04%
February	-2.41%	-1.93%	-1.05%	0.04%
March	0.83%	0.44%	-0.21%	0.07%
April	-2.09%	-1.83%	-1.24%	0.06%
May	-1.04%	-0.88%	-0.37%	0.08%
June	-3.87%	-3.15%	-1.53%	0.13%

Trustee's statement

As Trustee of the Plan, the Trustee confirms that:

- all contributions required to be made to the Plan in accordance with the terms of the trust deed have been made; and
- all benefits required to be paid from the Plan in accordance with the terms of the trust deed have been paid; and
- the market value of the Plan's assets at 30 June 2022 equalled or exceeded the total value of benefits that would have been payable had all members of the Plan ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 30 June 2022

On behalf of the Trustee, Public Trust

Garry Hughes
Head of Client Services (Wellington)

19 September 2022



Changes to persons involved in the scheme

Trustee

The Plan's Trustee and Manager is Public Trust. As at 30 June 2022, the Board members of the Trustee and Manager were:

- Ian Fitzgerald (Chair)
- John Duncan (Deputy Chair)
- Meleane Burgess
- Kevin Murphy
- Kirsty Campbell
- Graham Naylor
- Vicki Sykes

Board member changes

There were no Board changes during the year ended 30 June 2022.

Professional advisers

The Trustee is assisted in the management of the Plan by the following professional advisers:

- **Auditor:** PwC
- **Administration manager:** Mercer (N.Z.) Limited
- **Investment consultant:** Mercer (N.Z.) Limited
- **Securities registrar*:** Mercer (N.Z.) Limited
- **Solicitor:** DLA Piper
- **Tax consultant:** Deloitte

*The securities registrar holds the Plan's member register.



How to find further information

Further information relating to the Plan, including financial statements, annual fund updates, the trust deed and statement of investment policy and objectives is available on the offers register and schemes register at www.disclose-register.companiesoffice.govt.nz (search for Employee Retirement Plan).

Information relating to the Plan is also available from the Administration Manager at the address below.

There is no charge for providing any of the above information.

Contact details and complaints

The Trustee and Administration Manager

Public Trust

Corporate Trustee Services
Private Bag 5902
Wellington 6140
Phone: 0800 371 471

Email: CTS.Enquiry@publictrust.co.nz

Address communications for the Trustee, Administration Manager or Securities Registrar to:

Krissy Winstanley

Secretary
Employee Retirement Plan
Mercer (N.Z.) Limited
PO Box 1849
Wellington 6140
Phone: 04 819 2600

Email: krissy.winstanley@merceroz.com

Complaints

All complaints must be made in writing and should initially be addressed to the Secretary at the above address.

The Trustee undertakes to investigate your concerns promptly and fairly.

The Trustee is a member of an independent dispute resolution scheme, Financial Services Complaints Limited ('FSCL'). If you are not satisfied with the Trustee's decision about your complaint, you may refer the matter to FSCL at the following address:

Financial Services Complaints Limited

101 Lambton Quay
PO Box 5967, Lambton Quay
Wellington 6140
Phone: 0800 347 257

Email: complaints@fscl.org.nz

Full details of how to access FSCL can be found on their website www.fscl.org.nz.

FSCL will not charge you a fee to investigate or resolve a complaint.



Got questions?

www.teachersretire.org.nz
0508 4 TEACH (0508 4 83224)