

Employee Retirement Plan

# annual report

For the year ended 30 June 2024



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## Overview



**\$771.52**

million  
in net assets



**\$93,010**

average account  
balance



**1,025**

members made  
partial withdrawals



**8,295**

membership  
at year end



**5,181**

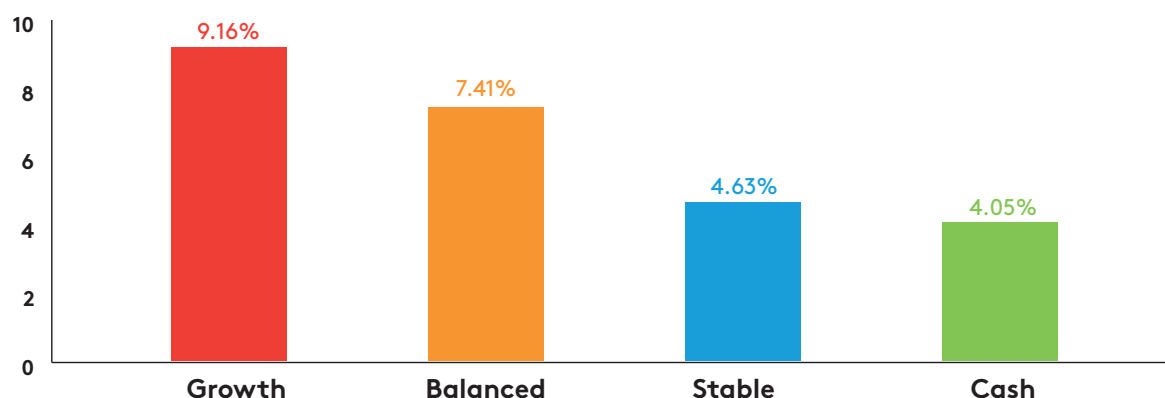
unique logins  
during the year



**2,821**

calls to the Helpline

Returns after fees and taxes for each investment option  
for the year to 30 June 2024



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 2024.

In recent years, global financial markets have been influenced by various factors such as the COVID-19 pandemic, geopolitical tensions, technological advancements and central banks' monetary policies. Initially, the monetary policies were aimed at stimulating growth, but more recently they have been targeted at controlling inflation.

To an extent, all these factors played a part in investment market returns over the latest financial year. The most dominant theme, however, was the expansion, adoption and application of artificial intelligence ('AI'). The potential for emerging AI technology to change the way we live and work led a narrow subset of technology companies (dubbed the 'Magnificent Seven') to dominate equity market returns over the year. A key beneficiary was Nvidia, a dominant supplier of AI hardware and software.

Increasing signs that the US would be cutting interest rates in 2024 helped bond markets turn their fortunes around in the final quarter of 2023. This follows a meteoric rise in interest rates over the preceding 18 months, a pattern that has been mirrored here in New Zealand, and which was a key factor contributing to poor returns from all investment options last year. In contrast, the prospect of a reversal in interest rates, spurred by moderating inflation and the continued strength of the US economy, has boosted returns from both fixed interest and equity markets.

Financial planning and setting long-term goals are essential for achieving financial success and stability. By creating a roadmap with specific steps, you can make informed decisions about spending, saving and investing. By prioritising your needs and allocating your resources effectively, you can work towards long-term goals like homeownership, retirement or travelling. Financial planning can give you a sense of control over your present and future by helping you make informed decisions, set achievable goals and effectively manage your funds.

The Scheme has continued to provide valuable support to teachers and principals across New Zealand for over two decades. Congratulations to the six members who successfully withdrew their funds to purchase their first homes. Additionally, we are pleased to announce that 254 members are now enjoying well-deserved time off after retiring during the Scheme year.

Please ensure your contact information is up to date, particularly your email address. Additionally, we recommend that you review your communication preferences to receive all documents electronically. This will ensure that you receive future communication promptly, direct to your inbox.

I would like to extend my thanks to Mercer and the Ministry of Education for their guidance and service towards the Scheme, as well as their dedication to helping our members achieve a financially secure retirement.

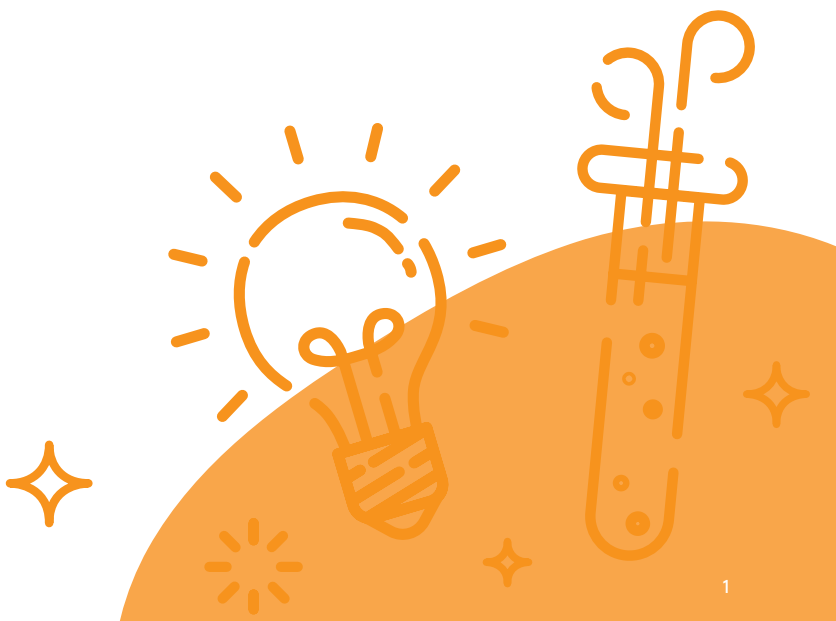
Please take your time to read this annual report and your member statement, as they contain important information about the Scheme and your account. For any queries or suggestions regarding the Scheme or its documents, please reach out to our Helpline on **0508 4 TEACH (0508 4 83224)** or email [nztrssep@mercer.com](mailto:nztrssep@mercer.com).

On behalf of the Trustee, Public Trust



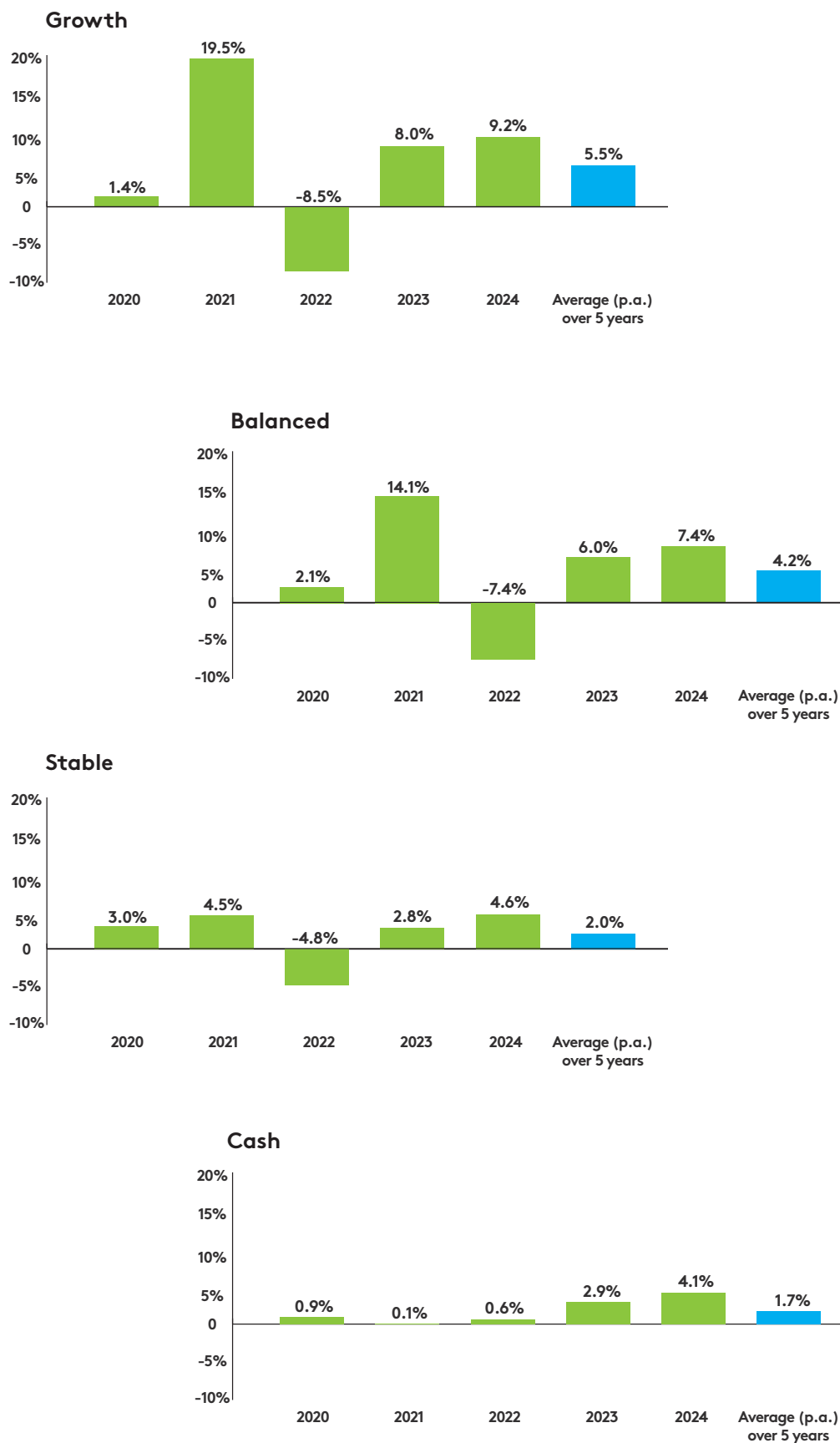
**Marisa Tucker**  
**Head of Client Services (Wellington)**

4 October 2024



# 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 funds 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](http://www.teachersretire.org.nz) under 'Documents'.

## Financial wellbeing resources

Financial wellbeing is the ability to meet your current and future financial needs. It involves developing healthy spending and savings habits, setting clear financial goals and taking practical steps to achieve them. The tools mentioned below will not only help you save money but also encourage positive changes in money management habits, assist with budgeting and help in long-term financial planning.

- **Budgeting tool:** Available on [sorted.org.nz](http://sorted.org.nz), this is a user-friendly tool that creates visual representations of income and expenditure, helping you to make informed financial decisions.
- **Getting advice:** The Financial Markets Authority ('FMA') website compiles a wealth of information on financial advice and where to get it from.
- **Retirement calculator:** Another tool from [sorted.org.nz](http://sorted.org.nz) that can help assess your financial situation to determine whether you are on track to achieve the retirement lifestyle that you want.
- **FSC Retirement Planning Guide:** You can access this guide from the Financial Services Council ('FSC') website. It is a comprehensive guide to successful retirement planning, which includes the New Zealand Society of Actuaries' rules of thumb, providing individuals with practical tips and strategies to enhance their financial security during retirement.

## 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 in to [www.teachersretire.org.nz](http://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 for a description of the switching process (available on the 'Documents' page on the website). 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, 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](http://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-term, medium-term and long-term needs.

We recommend you 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 FMA website [www.fma.govt.nz/consumer/getting-advice/finding-an-adviser](http://www.fma.govt.nz/consumer/getting-advice/finding-an-adviser) 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](http://www.fspr.govt.nz).

## New Zealand Superannuation rates

From 1 April 2024, the government changed the level of payments to be made to recipients of New Zealand Superannuation ('NZ Super'). The rates of NZ Super are shown below:



**\$31,547<sub>p.a.</sub>**

Single person,  
living alone



**\$29,032<sub>p.a.</sub>**

Single person,  
sharing

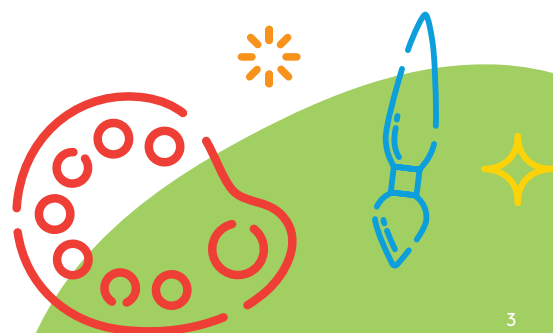


**\$47,987<sub>p.a.</sub>**

Combined for  
a couple

\*Before tax

For more information about eligibility, go to [www.workandincome.govt.nz](http://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 2024. The Plan is a restricted workplace savings scheme for teachers and principals in state and state-integrated schools.

Public Trust (the 'Trustee') is the Scheme's Licensed Independent Trustee and Manager.

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

As at the Scheme's 30 June 2024 balance date, the most recent fund updates were dated 30 June 2023. Since then, fund updates dated 30 September 2024 for the year ended 30 June 2024 were made publicly available.

The Scheme's financial statements and auditor's report for the year ended 30 June 2024 were authorised for issue on 26 September 2024 and were lodged with the Registrar of Financial Service Providers on 30 September 2024.

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

## Information on contributions and scheme participants

The following table provides a summary of changes in Scheme membership over the year to 30 June 2024:

	Contributing members	Non-contributing members	Total number of members
<b>Membership at 1 July 2023</b>	<b>5,838</b>	<b>2,885</b>	<b>8,723</b>
<i>Less</i>			
Retirement			254
Death/total and permanent disablement			26
Transfers out			17
<i>Other</i>			
- Leaving service withdrawals			118
- Ill health			5
- Permanent emigration			7
- Financial hardship with Trustee consent			1
<b>Total withdrawals</b>			<b>428</b>
<b>Membership at 30 June 2024</b>	<b>5,555</b>	<b>2,740</b>	<b>8,295</b>

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

<b>Members' accumulations</b>	<b>30 June 2023</b>	<b>30 June 2024</b>
Total members' accumulations	\$748,295,639	\$771,520,251
Number of members	8,723	8,295
<b>Contributions</b>	<b>Members</b>	<b>Total amount</b>
Member contributions	5,953	\$14,109,909
Member voluntary contributions	1,820	\$5,686,740
Employer contributions	5,829	\$13,887,859
<b>Total contributions</b>		<b>\$33,684,508</b>

## Changes relating to the scheme

### Trust Deed

There were no changes to the Trust Deed during the year.

### Statement of Investment Policy and Objectives ('SIPO')

The Scheme's SIPO was amended, effective 1 June 2024, to reflect new strategic asset allocations ('SAA') that were adopted for Stable, Balanced and Growth funds. In addition, benchmark changes were also made for the allocations to listed infrastructure and global credit.

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

### Related party transactions

As at 30 June 2024, the Scheme holds no investments in the employer or any of its related parties.

During the year, the Scheme received \$13,887,859 (2023: \$13,879,336) of employer contributions. Trustee fees of \$196,499 (2023: \$187,462) 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	254
Leaving service/resignation/withdrawals	118
Retrenchments/redundancy	-
Transfer to another scheme	17
Death/total and permanent disablement	26
Ill health	5
Permanent emigration	7
Financial hardship with Trustee consent	1
<b>Total full withdrawals</b>	<b>428</b>
Partial withdrawals	
Financial hardship/relationship property	17
First home withdrawals	6
In-service withdrawals	1,002
<b>Total partial withdrawals</b>	<b>1,025</b>

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

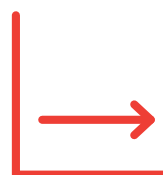
### Year-end crediting rates - Scheme investment options



**Growth**  
9.16%



**Balanced**  
7.41%



**Stable**  
4.63%



**Cash**  
4.05%



## Declared interest rates for the year to 30 June 2024

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

	Growth	Balanced	Stable	Cash
<b>2023</b>				
July	1.40%	1.08%	0.39%	0.34%
August	-1.33%	-1.09%	-0.38%	0.34%
September	-2.84%	-2.36%	-1.15%	0.30%
October	-1.86%	-1.39%	-0.48%	0.36%
November	4.31%	3.71%	2.22%	0.33%
December	3.06%	2.77%	1.87%	0.31%
<b>2024</b>				
January	0.63%	0.33%	0.04%	0.35%
February	2.46%	1.68%	0.48%	0.33%
March	3.14%	2.49%	1.13%	0.31%
April	-1.75%	-1.54%	-0.86%	0.35%
May	0.96%	0.89%	0.72%	0.34%
June	0.88%	0.79%	0.60%	0.29%

## Trustee's statement

As Trustee of the Scheme, the Trustee confirms that:

- all contributions required to be made to the Scheme in accordance with the terms of the Trust Deed have been made;
- all benefits required to be paid from the Scheme in accordance with the terms of the Trust Deed have been paid; and
- the Scheme's net asset value at 30 June 2024 equalled the total value of vested benefits. These are the benefits that would have been payable on the basis that all members of the Scheme 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 2024.

On behalf of the Trustee, Public Trust



**Marisa Tucker**  
Head of Client Services (Wellington)

4 October 2024



## Changes to persons involved in the scheme

### Trustee

The Plan's Trustee and Manager is Public Trust. As at 30 June 2024, the Board members of the Trustee and Manager were:

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

### Board member changes

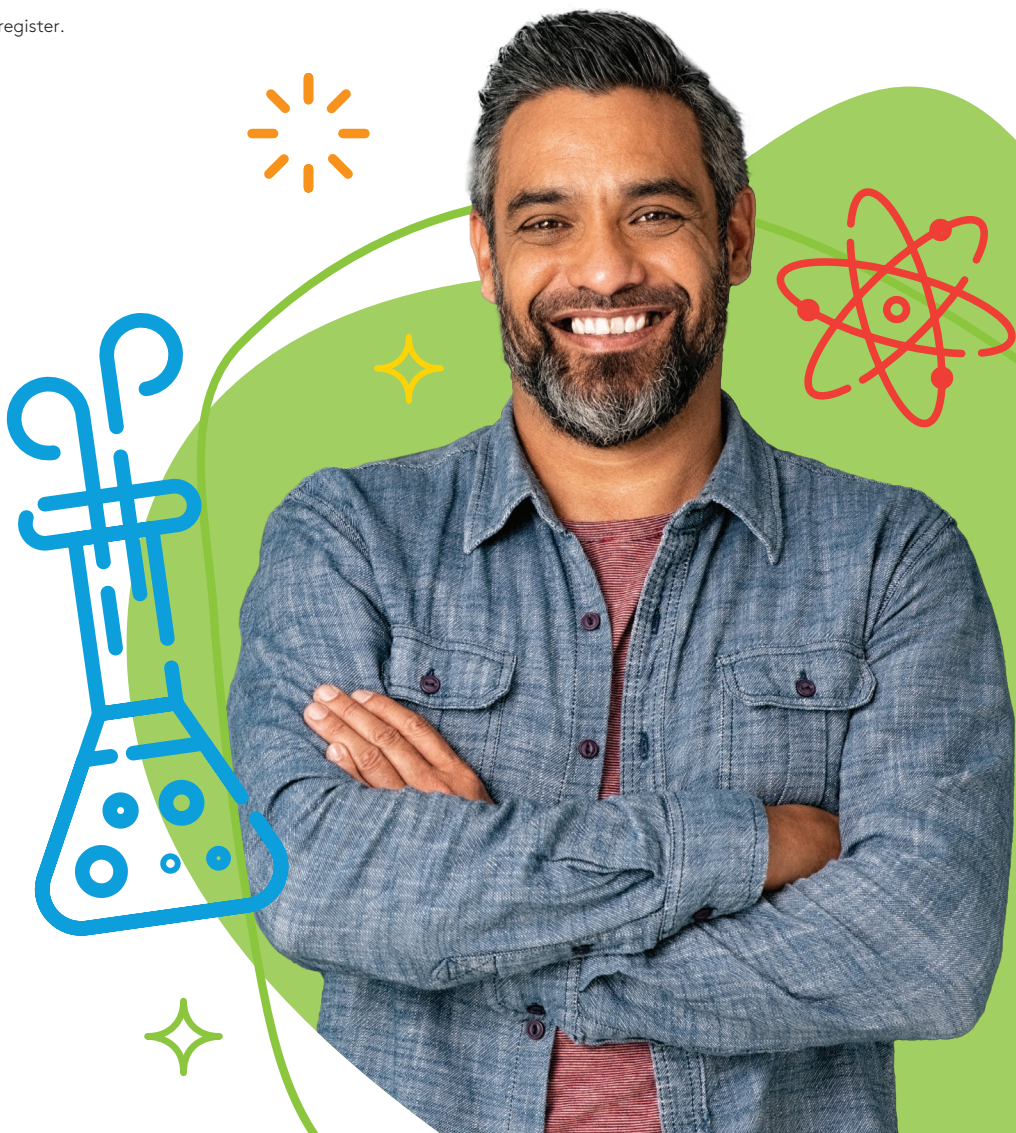
There were no Board member changes during the year ended 30 June 2024.

### Professional advisers

The Trustee is assisted in the management of the Scheme 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 Scheme's member register.



## How to find further information

Further information relating to the Scheme, including financial statements, annual fund updates, the Trust Deed and SIPO, is available on the Offers Register and Schemes Register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (search for 'Employee Retirement Plan').

Information relating to the Scheme 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](mailto: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@mercero.com](mailto:krissy.winstanley@mercero.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') – A Financial Ombudsman Service. 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](mailto:complaints@fscl.org.nz)

Full details of how to access FSCL can be found on their website at [www.fscl.org.nz](http://www.fscl.org.nz).

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



**Got questions?**

[www.teachersretire.org.nz](http://www.teachersretire.org.nz)  
0508 4 TEACH (0508 4 83224)