Teachers Retirement Savings Scheme

The Latest News On Your Retirement Savings

June 2026

Welcome to the second edition for 2026.

What's covered:

- Recent changes to KiwiSaver
- Update to member booklet
- Simple checks to help you stay on track with your retirement strategy
- Market news
- Scheme returns
- Understanding your Annual Report and Benefit Statement
- Will and estate planning

Missed the last newsletter? You can read it **here**.

If you have any questions or feedback, please contact our Helpline at **0508 4 TEACH (0508 4 83224)** or email us at **nztrsserp@mercer.com**.

Regards,

Mercer,
On behalf of Public Trust as Trustee

Contribution rate changes for some Scheme members

Recent KiwiSaver changes mean some Scheme members are now receiving employer contributions through KiwiSaver instead of the Scheme. If you're affected, your employer communicated separately to you in April. Here's a quick recap of what's changed and why.

You can also read the **April 2026 newsletter** for a broader update on the KiwiSaver changes affecting Scheme members.

Why this is happening

Under the Scheme rules and the KiwiSaver Act 2006, your employer cannot contribute to both the Scheme and KiwiSaver on your behalf at the same time. They must contribute ***only*** to the Scheme which (in the member's case) has the higher before-tax employer contribution rate.

From 1 April 2026, the minimum KiwiSaver employer contribution increased from 3% to 3.5% of gross salary. For some members contributing to both KiwiSaver and the Scheme through payroll, this change means KiwiSaver now provides the higher employer contribution rate.

What this means for this group of members

If you're affected, you have become unsubsidised and non-contributory for Scheme purposes. Your employer contributions are now being paid only into your KiwiSaver account at a before-tax rate of 3.5% of gross salary.

This change affects a small group of members, including those earning $18,720 a year or less (including employer superannuation contributions). From 1 April 2028, when the KiwiSaver compulsory employer contribution rate increases to 4%, this earnings threshold will rise to $64,200.

If you have questions or want to learn more, reach out to your employer or contact our Helpline on **0508 4 TEACH (0508 4 83224)** or email **nztrsserp@mercer.com**.

Your updated member booklet

A few important KiwiSaver changes kicked in from 1 April 2026, and we've updated the member booklet to reflect what this means for members.

What's included:

Contributions and accounts: A clearer explanation of how member contributions are allocated among the Basic, Employer and Voluntary Accounts. It explains the impact of changing contribution rates and how employer matching works so you can see exactly where your money goes and how different rates affect your balances.

Membership types: Guidance on the difference between subsidised and unsubsidised membership and how each type affects contributions.

Benchmark asset mix: Updated benchmark asset mixes for all funds to reflect the current strategic allocation across various asset classes and market sectors. This helps you understand the intended investment profile for each fund and how those mixes influence performance and risk.

The booklet is a helpful guide for making informed choices about contributions, investments and withdrawals.

Access the Member Booklet

Simple checks to stay on track with your retirement strategy

With rising living costs, thinking more about your retirement now can give you more options later - even small steps add up.

Why it matters

New Zealand's government pension, NZ Super, is an important safety net, but it wasn't designed to cover all the extras many of us hope for in retirement. Research shows NZ Super hasn't kept pace with the rising cost of essentials like fuel, rates or rent, and food.

Your Scheme savings can supplement NZ Super as a vital extra source of income to provide more flexibility – whether that's more travel, a hobby, or simply less financial stress. The gap between the cost of a comfortable retirement and what NZ Super provides is growing, so taking a bit of time to engage with your Scheme savings now can pay off later.

Simple checks to try:

- Review your Scheme **contribution rate** – are you on the right rate?
- Check your **investment choice** – does it still suit your timeframe and risk comfort? (see page 4 of the member booklet for a breakdown of your investment options)
- Try **Sorted's retirement planning tools** to project some scenarios
- Consider talking to a **financial advice provider** for tailored advice, and
- Stay informed through **Scheme newsletters**, which include Scheme news and simple, practical tips on retirement planning.

It's never too early – and never too late – to make smart choices for your retirement. A little attention now can compound to make a difference later.

Market news (1 January 2026 – 31 March 2026)

The markets had a short-lived positive start to the year with solid economic fundamentals and easing inflationary pressures. Towards the end of February, the US and Israeli strikes on Iran disrupted the flow of oil and gas through the Strait of Hormuz, creating uncertainty for the global economy and financial markets. The MSCI World Index for global shares finished the quarter down 3.2% (in local currency terms) as the markets reacted to the escalation of conflict in the Middle East, higher oil prices, expectations of further rate hikes to contain inflation, and weakness in US software stocks. Throughout March, investor sentiment swung between hopes for de-escalation and fears of a prolonged conflict. Emerging market equities climbed 2.1%, despite many emerging markets being net energy importers and therefore hit by higher oil prices. The return was positive due to currency movements, rather than individual share price changes.

Government bonds were volatile during the quarter and experienced a sell-off as higher energy prices fuelled worries over inflation and potential interest rate hikes. Shorter term bonds were hit particularly hard as markets shifted abruptly after many major central banks began unwinding their stance on rate cuts this year. The Federal Reserve (Fed) kept US interest rates steady over the quarter at 3.5% to 3.75%. The Bloomberg Global Aggregate Index (for international fixed interest investments) finished the quarter down 0.6%.

New Zealand and Australian shares fell by 4.5% and 1.6% respectively, with the performance largely driven by the overseas conflicts causing risk aversion among investors. The Reserve Bank of New Zealand (RBNZ) held the Official Cash Rate (OCR) at 2.25%, reflecting the need to support the economy against rising inflation. Similar to the global bond market, the Bloomberg NZ Bond Index finished the quarter down 0.5%.

Energy stocks were the standout performers for the quarter, as integrated producers, refiners and energy infrastructure companies all benefited from higher oil prices. Listed infrastructure had a strong quarter, with energy-linked assets, pipelines and gas utilities outperforming the broader New Zealand sharemarket index, delivering an 8.1% return.

Scheme returns at a glance

The table below shows the returns of each investment fund for the first nine months of the Scheme year, along with the returns from the two years prior.

	Scheme year-to-date 9 months to 31 March 2026	**12 months to 30 June 2025**	**12 months to 30 June 2024**
Cash Fund	1.75%	3.4%	4.1%
Stable Fund	2.06%	5.2%	4.6%
Balanced Fund	4.71%	8.7%	7.4%
Growth Fund	5.98%	10.1%	9.2%

For the latest monthly returns, visit the **website**.

Understanding your Annual Report and Benefit Statement

Each year, you receive two key documents that give a clear picture of your retirement savings. Your Benefit Statement arrives in September and the Annual Report follows in October.

These documents explain how the Scheme performed and how markets affected investments. They list your membership details and recorded contributions, account balance and investment earnings.

Please check your contact details and preferences to make sure these documents reach you on time, log in at **www.teachersretire.org.nz** and confirm your contact details and communication preferences (electronic or postal delivery). You must have a valid email registered to activate and access your member online account. Having trouble activating your account? See our **FAQs** for help.

If you have questions about the documents when they arrive or need help updating your information, our Helpline is ready to help. Call them on **0508 4 TEACH (0508 483 224)**.

Planning ahead: wills and estate planning

Estate planning is about making sure the people you care about are looked after once you pass away. Putting a clear plan in place now can make things easier for your whānau during a difficult time, reduce uncertainty and delays, and help ensure your retirement savings and other assets are distributed according to your wishes.

You may start by listing your assets and any existing nominations, then decide who you want to benefit. Use a lawyer or any trusted online service to make a legally binding will. It is also important that you keep updating your will after major life events such as marriage, birth of a child, death of a partner or divorce. You may also consider appointing an enduring power of attorney for finances and health decisions in case you are unable to make decisions yourself.

The Scheme does not hold beneficiary details on member accounts. If a death benefit becomes payable, it will be paid to your legal representative or your estate, so it's important that your will reflects your wishes. Death benefits will usually only be paid once all supporting documents (e.g. certified birth and death certificates and copies of your will and probate or letters of administration) have been received and/or sighted by the Trustee.

If you die as a member of the Scheme, your estate will receive a lump sum equal to your Total Credit.

A **will** is a legal document that explains how you want your assets distributed, who should look after any minor children and who will manage your estate (an executor) after you pass away.

An **estate** is everything you own at the time of your death: property, money, personal items and debts.

An **enduring power of attorney** is a legal document appointing someone to make decisions for you if you lose capacity.

Your **Total Credit** is the total balance in all your Scheme accounts including year-to-date earnings (which may be positive, negative or nil), less any fees due for payment from the relevant account(s).

More information

Retirement calculator

Financial advisers

Support
0508 4 TEACH (0508 4 83224)
or nztrsserp@mercer.com

Scheme website