A step by step guide to obtaining a long and prosperous retirement

Lesson 16 – Spreadsheet Hidden Features

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Introduction

This document is part of the comprehensive training material written to assist Kiwi's in their 50's or 60's that are looking at retirement but have no idea what to do, what is needed, and how or where to get help.

The material provides a simple comprehensive step by step process to create your own retirement plan. It includes a summary guide, road map, lessons and discussion topics to help you prepare for your retirement. It will help you answer questions such as:

- *How much money do I need in retirement?*
- *How much money will I receive from Government Superannuation?*
- *How, and from where, can I get more money?*
- *Where can I safely investment my money?*
- *How much should I put into KiwiSaver?*
- *Should I buy a 2nd property, a business, or invest in the share market?*
- *How much do I need to keep aside for a rainy day?*

all from a very New Zealand perspective using case studies.

Lesson outline

This document is "Lesson 16 – Spreadsheet Hidden Features" of the course material supporting our simple step by step approach to creating your financial retirement plan.

All planning materials are free, and comprises:

- a summary 'Retirement Planning Guide"
- a 'Retirement Roadmap'
- a supporting 'Retirement Planning excel spreadsheet'
- more comprehensive training guides ("Lessons") for various tasks and topics along the way if you need them
- additional supporting forms and spreadsheets if you need even further assistance.

All material can be downloaded and printed from the download pages on our website: http://www.bizxtra.co.nz/

Most people complete their retirement plan using just the Planning Guide, Roadmap and the Excel spreadsheet that supports the guide. Additional information is provided to support you along the way if you get stuck, don't understand a concept, or just need some further ideas to try out as part of your planning.

"If you follow our easy step by step guide and RoadMap, you will increase your financial literacy while preparing your own retirement plan for a long and prosperous retirement."

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Latest Version

Market prices, superannuation and benefit rates, Government policies, inflation, costs of living, house values etc. all change on a regular basis. The numbers in this document have been updated to reflect the market position as at March 2026.

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Lesson 16 – Spreadsheet Hidden Features

When planning for your retirement, once you have entered all your planning data, balanced your budgets, fixed your KiwiSaver, have a strategy for your debt and future investments, and closed any financial gaps, we recommend that you stress test your plan by trying some 'what if' scenarios, and checking you still don't run out of money in retirement.

Common suggested 'what if' scenarios include:

> *"What if I (or my Partner) live longer?"*
> *"What if mortgage interest rates go back up again?"*
> *"What if inflation rises quickly?"*
> *"What if the property market continues to go sideways?"*
> *"What if I failed to select '5 Star' investments, and purchased '5 Lemon' investments instead?"*

With the 2026 election around the corner, some in the media are already calling this "The KiwiSaver Election". While changes to the employee and employer contribution rates are great news for our kids and grandkids, for those of us with less time to save (or are already retired) this will have no impact on the quality of our retirement.

It is great to try and encourage people to save for their retirement (e.g. KiwiSaver), but there are other changes being proposed or discussed (regarding changes to Tax and NZ Super) that could have greater impacts on our retirement. So we should test for those as well.

As we release updates to our free Retirement Planning Spreadsheet, we add additional functionality (hidden features) that allow you to try additional 'what if' scenarios to identify any impacts they may have on your retirement.

These are often usually in the 'Release notes' provided with the spreadsheet, or available on our website, but we felt they can be difficult to read (i.e. to follow the instructions) while updating the spreadsheet. Hence this lesson has been created.

Over time, as any of these proposed changes become law, then the instructions will be migrated into the free Retirement Planning Guide. But until then, we will provide instructions via our free Lessons and Release notes.

Recent changes to the spreadsheet have included options to try scenarios such as:

> *"What if the eligibility age of NZ Super is raised from 65 (e.g. to 67)?"*
> *"What if 'means testing' of NZ Super ever becomes law?"*
> *"What if the PAYE Tax rates get changed"*
> *"What if a Capital Gains Tax ('CGT') gets introduced?"*
> *"What if a Wealth Tax is imposed on us?"*
> *"What if an Inheritance Tax is introduced?"*

This lesson will provide some predictions of these changes being proposed, and will explain how you can stress test your retirement plan (in advance of any of them ever becoming law). This will help you develop a 'Plan B', and to be ready to still enjoy (or survive) retirement, albeit maybe in a different country.

How long will NZ Super remain?

NZ Super is an economic timebomb in New Zealand, with no political party prepared to publicly touch it. In recent years, changes have been made under the cover of darkness, often without disclosing the intended changes as part of any policy/election documents. Recent changes and recurring recommendations for change include:

- In the 2019, Labours "well being" budget removed the ability for a Partner aged less than 65 to receive some of their Super early. This would have been a $16,767 per yr impact for some couples ($35,508 --$18,741)
- August 2021 the rules for migrants changed from needing to have 10 yrs in the country to 20 yrs to be eligible for NZ Super
- November 2021 the rules for residents and citizens were then changed to gradually increase the required number of years in NZ from 10 to 20 (with 5yrs from age 50) based on your date of birth starting from July 2024
- February 2022 the OECD biannual report on NZ recommended the eligibility age for Super be extended. Their 4th report recommending that change
- 2022 (starting 1 April 2023) benefit increases were changed by Labour from alignment with inflation to annual wage increases. 2024, National changed it back to being linked to annual inflation increases (CPI)
- 2025 Review of Retirement Income Policies was released (Retirement Commission). The Government adopted some recommendations including means testing of the KiwiSaver Government contributions (i.e. no Govt contribution if income >and reducing the government contribution (by half). Other research and recommendations in the document included means testing of NZ Super – so watch this space!,

If you (or your kids) are starting to plan now in your 20's or 30's for retirement, the chance of NZ Super still being around when they reach 65 in the same format is slim:

- National have indicated that if elected in 2026 (and the two prior elections), they will keep the NZ Super age at 65 until 2044, when it will be gradually lifted to 67. This change won't affect anyone born before 1979 (approx. 47+ yrs old won't be affected).
- NZ First have said they won't ever change it from 65
- Act would like the eligibility age even higher
- NZ Treasury have indicated the age needs to be raised to 72 or 73 to keep NZ Super affordable
- In prior campaigns, Labour has campaigned on raising the age, but in 2023 campaigned on not raising the age. They have not announced their policy for 2026 yet.
- At the time of writing, the other parties have not yet published any policies regarding NZ Super, although they have indicated increased taxes to help fund it.

Many parties look at the historical characteristics of our pension scheme, along with similar overseas schemes, to help develop their policies. So, if one was trying to 2nd guess their policies you could consider some of the following.

Looking back to look forward

In 1889 Germany introduced an old-age pension to which employers, workers and the state made contributions. New Zealand thought this looked good, so in 1898 New Zealand created the first such

scheme that was fully funded from general taxation. It was one of the major achievements of Richard Seddon's Liberal government.

This Old-age Pensions Act gave a small means-tested pension to elderly men and women from age 65 (very few reached this age), who had few assets (i.e. it was means tested), who were 'of good moral character' and had been leading a 'sober and reputable life' for at least the previous five years (so had other eligibility criteria).

The legislation of 1898 was based on the principle that the state had some responsibility for respectable elderly citizens who were no longer able to provide for themselves.

The amount on offer was small. Applicants had to meet strict criteria to qualify for a pension of at most £18 per year (equivalent to about $4100 in 2023). Only those with an annual income of £34 ($7700) or less and property valued at no more than £50 ($11,300) received the full amount.

In this time period, the average life expectancy of men and women was significantly shorter than today: (Non Māori M/F) 55/58, (Māori M/F) 25/23, so it was anticipated that very few people would receive it. There was also lots of debate of what 'good moral character' and 'respectable citizens' included within newspaper articles of the time indicating:

- *Applicant to be 'of good moral character' and for the preceding 5 years been "leading a sober and reputable life"*
- *Has not deserted spouse for a period of 6 months upwards.* (a 1902 amendment: changed 6 months to: *during last 12 years)*
- *Could not have served a prison term of 4 or more months in previous 12 years, or 5 years imprisonment during previous 25 years*
- *Without just cause has* (not) *failed to provide adequate support for children under 14 years*

In the early 1900's, applications had to reapply every year. With additional criteria being added, this meant they could lose their pension at any time:

- 1903: *where two or more convictions for drunkenness have been recoded against a pensioner*, or
- 1903: *If a police officer has reason to believe that a pensioner is illegally drawing his pension or spending his pension in drink he must inform the Deputy-Registrar* (the then approver of moral character)

In 1938 the social security act created a two-tier system with eligibility criteria set at 60 with means tested, converting to a universal benefit (no means testing) at 65. This was when the average life expectancy at the time was (Non Māori M/F) 65/68 (Māori M/F) 54/56. So still not a large percentage of the population.

It wasn't until the late 1970's with the introduction of the universal national superannuation scheme that means testing was removed, and the age of eligibility was lowered beneath the average life expectancy of the time. Eligibility was lowered to 60. Previously, any old age benefit was structured to assist those who 'lived beyond their average life expectancy' (i.e. lived longer than they expected) who may be in need of financial assistance in their twilight years.

In 1992, the eligibility age was increased to 65, but with improvements in health, work safety, and healthy living, life expectancy has continued to rise. A comparison of eligibility age and life expectancy shows the looming financial cliff that is fast approaching.

Year	Eligibility Age	Average Life Expectancy M/F	Approx Gap	Means Tested
1898	65	55 / 58	-8	Y
1938	60&65	65 / 68	1	Y until 65
1977	60	69 / 75	12	
1992	61	73 / 79	15	
2001	65	76 / 81	13	
2025	65	80 / 84	17	
2035	*65*	*83 / 86*	*20*	

Overseas trends.

Another place to look for potential policy direction, is overseas. We are not alone in providing assistance to our elderly, and with increasing life expectancies other countries are facing similar issues regarding how they can continue to fund their pension schemes.

Compared to countries with similar pension schemes:

- New Zealand currently has one of the lower eligibility ages (65) and is one of the few with a universal (non-means-tested) payment.
- In contrast, Australia's Age Pension is strictly means-tested based on income and assets.
- Countries like Denmark and the Netherlands now explicitly link their pension age to gains in life expectancy. This means the age can automatically adjust without new legislation.
- Many OECD countries are converging on 67 as the new standard retirement age to maintain fiscal sustainability.

Country	Current Age (2026)	Planned Increases
New Zealand	65	Under review; proposed rise to 67 starting in 2037.
Australia	67	Gradual increases to 67 are now complete.
United Kingdom	66	Rising to 67 between 2026 and 2028.
United States	66–67	Phased increase to 67 based on birth year.
Denmark	67	Planned rise to 68 in 2030 and 70 by 2040.
Netherlands	67	Age is linked to life expectancy; currently 67.

Our Predictions

Based on these findings, if I was planning for retirement today, I would be utilising my crystal ball to determine the impact of some type of means testing (income and/or asset testing), and a higher eligibility age in New Zealand.

We predict the eligibility age will be a gradual change (as previously implemented and as proposed by National), but means testing could be implemented immediately to make a greater fiscal impact.

National are proposing raising the age to 67 starting in 2044, so that is a good starting point to model.

With Labour, Te Pati Māori and the Greens all proposing new or increased taxes (wealth, capital gains etc.), bringing in means and/or income testing for NZ Super might be an alternate solution to fund any shortfall. Although, based on some policies, they could introduce all of these options (higher eligibility age, new additional taxes plus means testing of NZ Super).

As NZ has a history of copying Australia, we would expect a similar comprehensive means testing regime. Australia utilise both an asset test and an income test, and which ever results in a lower payment to you – that is the one they use. Both tests have a cut-off threshold, with an abated payment calculated prior to reaching that level.

In Australia:

- The principal home is excluded in the asset list, although the value of any surrounding land greater than two hectares gets included.
- The asset level is quite low: homeowning-couple $582,600 NZD equivalent (290K per person)
- The income level of additional income is capped at approx. $400 NZD per week per person
- The types of income captured also includes the concept of deemed income (similar to our FIF tax in NZ) based on the value of the assets – irrespective if that is what you receive or not.

As such 'Google' suggests that in 2026 only 44% of Australians over the eligibility age of 67 receive the full pension. Which if you ever read any NZ Treasury reports is about the level of retirees NZ Super will support in the future without changing the eligibility rules.

In summary, we predict that the eligibility age will move to 67 and then increase with life expectancy, and that some form of means testing will be introduced to eventually halve the number of people eligible to receive the full NZ Super in the future (as some future Government will deem that retirees have sufficient savings in their home or KiwiSaver that they will have to use up first).

And what new Taxes should I plan for?

We have expanded the functionality of our spreadsheet to enable you to investigate the impacts on your retirement of the various 'Tax' changes proposed in "Election 2026".

While these tax proposals are still a moving target, with many of them more 'Soundbite' than 'Substance', we wanted to enable you to perform additional "what if" scenarios to develop a 'Plan B' should any of the more extreme (and less thought-out) proposals become law.

We'll continue to refine this functionality as policies become clearer (which for many may be only after the election).

Election 2026 – Tax changes impacting retirement

The main political party's tax proposals are listed alphabetically below. These proposals seem to change daily as the parties react to public feedback. As such, we have used their publicly available policy documents from their websites.

Our current understanding is:

- **Act:** "The ACT Party is fundamentally opposed to a capital gains tax (CGT) and has no such plan in its policy platform". They indicate they would:
  - repeal the existing bright-line tax, and
  - make the marginal tax rates a "flatter and simpler system" with only 2 rates
    - 0K – 70K 17.5%
    - 70K+ 28%

    We assume these rates exclude the current 1.6% ACC levy
  - Currently they are not suggesting any new taxes.

- **Greens:** The Green party are proposing a wide range of tax changes:
  - changing the top marginal tax rate to 45% (also impacting the existing Brightline, Intention, and FIF capital taxes).
    - 0K – 10K 0%
    - 10K – 50K 17%
    - 50K – 75K 30%
    - 75K – 120K 35%
    - 120K – 180K 39%
    - 180K+ 45%

    We assume these rates exclude the current 1.6% ACC levy
  - changing the company tax rate to 33% (potentially impacting all people who own and operate a company they hope to sell for retirement, or international businesses thinking of setting up in NZ)
  - adding a 2.5% annual wealth tax (requiring people to sell their assets to pay the new tax)
  - adding a 1.5% Trust tax "so people cannot move their money into a Trust to avoid the Wealth Tax"
  - adding a 33% inheritance tax on any lifetime Gifts or inheritance > $1M (also applied when your partner dies, significantly reducing your lifestyle in the later phase of retirement when one partner dies and the other is living alone)
  - they also indicate "Further changes to ACC levies will be introduced from 2026" although they don't say if these will be up or down. Based on their proposed expanded role for ACC, one could assume these levies will increase.

- **Labour:** While the Labour party are saying they will be adding a Capital Gains Tax (CGT), they are basically only changing the current Brightline Tax to a more inclusive Property Tax. Their proposed CGT only covers residential and commercial property and currently excludes other types of investments. Their changes are:
  - Expanding the Brightline test from 2 years to all commercial and residential properties (excluding the family Home). Gains from a notional date and value in 2027 will be taxed at 28%
  - They also confirm: "Their other tax policies for 2026 have not been released yet" – so there may be more taxes still to be disclosed.

- **National:** They have indicated “No capital Gains Tax”, although they don’t indicate if they will remove or adjust the two existing ones (Brightline and FIF taxes) to align with this statement.
    - No other tax policies for 2026 have been released yet, so watch this space also.

- **NZ First:** As yet no 2026 policy documents are available on the NZ First website. In a September 2025 speech “NZ First leader Winston Peters has promised to make KiwiSaver compulsory, with contributions from employers and employees rising to 10 percent (5% each) and tax cuts to curb the extra cost.”
    - No tax policies (or any policies) for 2026 have been released yet.

- **Te Pati Māori**: They currently propose to make the most tax changes:
    - Remove GST from food
    - change all the marginal tax rates, bringing in the top rate at 48%.
        - 0K – 30K 0%
        - 30K – 60K 15%
        - 60K – 90K 33%
        - 90K – 180K 39%
        - 180K – 300K 42%
        - 300K+ 48%

      We assume these rates exclude the current 1.6% ACC levy
    - changing the company tax rate to 33% (impacting small business owners looking to sell and international companies considering setting up in NZ)
    - introducing a Wealth Tax (based on net wealth levels with the top rate at 8% per year) paid annually (requiring people to dilute their wealth to pay for it)
        - 0 – 2M 0%
        - 2M - 4M 2%
        - 4M – 8M 4%
        - 8M+ 8%
    - add a Foreign Companies Tax (additional 2% on top of the 33%),
    - add a new Land Banking Tax (33% of the land value)
    - add a new Vacant House Tax (33% of the market value).

Our Predictions

Tax is a tricky one, as the various parties are so far apart and have a history of changing their policies each election (or Party Leader), it is difficult to make a prediction.

For example, in the 2011 and 2014 Labour campaigned on introducing a CGT, in 2017 Little ruled it out but wanted to seek a mandate, then Ardern made a “Captains Call” to not rule it out, then changed her mind to “not rule it either way” until after the 2020 election. In 2019 she abandoned it after failing to get support from NZ First and announced “never under my leadership”. In 2023, (under a new leader) Hipkins suggested both a Wealth Tax and CGT, but by late 2025 he officially confirmed it would campaign on a 28% Property Tax to fund free GP visits (not a comprehensive CGT or Wealth tax) in the 2026 election.

Other parties have been more consistent in their election campaigns, so there is a wide range of options: less and simpler taxes from the 'Right', to higher and additional taxes from the 'Left' leaning parties.

Under MMP it could be anyone's guess. What a Party campaigns on can very quickly change during coalition negotiations. As such we have tried to include functionality that will let you model different combinations to not only see the impacts on your retirement, but to also help you decide which way you want to vote based on the policies you like.

Unintended Consequences

Wikipedia indicates: *"The law of unintended consequences states that actions, especially government interventions or policies, always produce unforeseen, unanticipated, and often undesirable outcomes. It serves as a warning that complex systems rarely react in simple, predictable ways, leading to results that differ from the original, intended goals"*

Accountant, Lawyers, Economists and some Media are already suggesting a range of unintended consequences that may result from the proposed NZ Super and tax changes. These currently include (but are not limited to):

- The value of house prices falling as people approaching retirement sell early to avoid the Property Tax (CGT). If you have property you plan to sell, you may want to adjust the sale price (and/or date) accordingly.
- Investment returns that include property or NZ Shares will decrease due to the decrease in property values, if the Property Tax and Company Tax increases. This may impact Managed funds, ETS and KiwiSaver returns. If any of your current or proposed investments include property or NZ shares, you may want to review the expected likely returns.
- People will invest in expanding their own home (Mansions) as a way to avoid capital gain taxes and increase capital, thereby reducing their investments into KiwiSaver, businesses, shares etc.
- As investment properties are sold, rents will increase due to shortage of supply, but compliance costs (to better track expenses to avoid the property tax) will increase. Net rental yields will be impacted most likely negatively. Check what returns you are planning from any investment property and adjust if needed.
- Inflation will increase as companies raise their prices to recover the additional costs and taxes imposed on them. This will impact lifestyle costs now and in retirement.
- Capital Flight. High-net-worth individuals will move themselves or their investments to more favourable tax jurisdictions. Investors may invest in shares of overseas companies rather than NZ companies, impacting investment returns (e.g. Managed Funds, NZ ETF's, KiwiSaver returns etc.) further reducing the capital available for NZ companies to expand.
- More Financial Hardship for Superannuants. With the current proposed inheritance tax, should one person in a relationship die earlier than the other (as is very likely in NZ due to statistical trends of marriage ages and life expectancy) , the surviving partner will have to pay inheritance tax on the estate, eliminating a third of the money they thought they would have for their later phases of retirement. This will significantly hit women the hardest, as they statistically live longer. And with one in three women already expecting that they will have "not nearly enough" to finance a comfortable retirement, this ratio will only get worse.
- As many people see inheritance as a key part of their retirement plan, intergenerational wealth transfer will be reduced by any new Wealth, Inheritance or Estate tax.

New ‘*What if*’ Scenarios you can now try

With the latest release of our free ‘Retirement Planning’ spreadsheet, while adding in the new KiwiSaver contribution rate changes, and updating the annual NZ Super rate changes and economic information, we also added the ability to:

- model changes to the eligibility age for NZ Super
- apply means testing on NZ Super (based on your net wealth, income or both)
- try out the proposed Capital Gains, Inheritance and Wealth Taxes
- model some of the unintended consequences you may experience of these proposals

and see any impacts these may have on your retirement.

It is assumed before you start stress testing your retirement plan, you:

- already completed your plan by following our free retirement plan guide, fixed any financial gaps, sorted out your interest and debt strategies (including KiwiSaver), and hopefully have created a buffer in case you live a bit longer than expected. i.e. you have a plan you are happy with
- downloaded and are using the latest release of the spreadsheet (otherwise some of the features may not be available in your version)
- made a copy of your planning spreadsheet (as a baseline) to be able to compare the impacts on your retirement, plus easily revert back to ‘the law’ once you have finished stress testing
- have a ‘more than basic’ understanding of Excel. In this guide we have tried to reduce the number of images in the instructions and replaced them with references to the applicable worksheets and cell ranges to make the required adjustment (i.e. ‘WorksheetName!Column Row’ e.g. Datails!A100)
- already understand how to use the ‘Retirement Plan’ graphs, summary worksheets and levers etc. to see any impacts as you do ‘what if’ planning (if not we recommend you read Section 4 of our free Retirement Planning Guide).

Many of the variables and cells you will alter are based on their historical average, but can be changed in the existing spreadsheet. We set them to default values or the value required under current legislation. Typically, these are all ‘grey cells’ that we have setup for you to change, but sometimes the default value is a formula rather than a value. By making a copy of your plan before you start, you can easily get back to the original version.

And remember, under MMP, you never know what combinations of these various proposals you are likely to end up with, so you may want to model something ‘in the middle’.

The final sections of the document will show you how to try out these features in your retirement plan spreadsheet. These are shown as ‘what if’ scenarios, so you can select to test the ones that ay apply to yourself.

“What if Inflation falls outside the required range during retirement?”

Inflation is one of the economic variables that can be changed in the spreadsheet. By default it is not automatically added to the spreadsheet, but can be optionally ‘turned on’ once your retirement plan is ready to be stress tested.

In previous versions we linked the default inflation rate to the historical 10-year average listed in table T9 (in the Tables worksheet). During Covid, Inflation rose to over 7% per year throwing this average out the window, so we uncoupled it.

The Reserve Bank is required to try and keep inflation in the 1% – 3% band (with an average of 2%).

- You can review the historical trends regarding inflation at Tables!A72 by ungrouping table T9
- You turn inflation on or off in the Details worksheet at Details!H46 by entering a ‘y’ or ‘n’
- You can change the default for all years at Details!C46 by changing it from 2% to say 3%. This will set inflation for all years of your planning to this new value.
- You can change inflation for any particular year by changing the formula in any of the Details worksheet columns J onwards on row 46 from “=+IF(H46="y",C46,0%)” to something like “=+IF(H46="y",5%,0%)” if you wanted 5% for just one year. The default will apply for any unchanged cells. By changing the formula in this way, you preserve the option to turn inflation back off.

“What if the value of my home goes backwards if a CGT is introduced?”

Similar to Inflation, the growth of property values is another economic indicator based on historical trends. The default value applied to any property you own (or plan to own) is based on the historical 20 year average, but allows you to adjust it using the ‘Yellow Lever’ on the ‘Retirement Plan’ worksheet.

As the ‘Yellow Lever’ adjusts all investment returns, you may want to see the impacts of just the value of you home growing at a slower pace, or even going backwards.

- You can view the historical trends of property capital values at Tables!A72 by ungrouping T9 and also ungrouping columns ‘M’ through ‘AS’ to view Tables!AA72
- The default value used in the spreadsheet is found in Table T8 at Tables$H170. It is currently a formula linking to Tables!AAE73
- If you think growth will slowdown with the introduction of a CGT, then set the value to say 1.5%. This new value will then apply to all property in your plan
- If you think the opposite (that growth in value will increase, set it to a different value.

As the value is applied across all years (unlike inflation that each individual year can be changed), if you think it might go negative for the few years, then revert to the average, you may want to use a lower % in your stress test.

“What if my Investments don’t grow at the % I am planning?”

Similar to how you can adjust the return on any property you own, you can use Table T8 in the Tables worksheet, or the ‘Yellow Lever’ on the ‘Retirement Plan’ worksheet to change all your investment returns.

If you are worried about some of the unintended consequences of the proposed tax or NZ Super changes, then you can adjust the individual rates accordingly, while leaving the others unchanged (the 'Yellow Lever' will change them all).

The impacts are most likely going to be on NZ businesses. If you own your own business, or are invested in managed funds or ETFs that are predominantly holding shares in NZ Companies, or you have defensive funds owning NZ Bonds, then you may want to adjust those to see the impacts of lower returns on your retirement.

- average returns can be changed individually (for each type of investment) in Table T8 in Cells H160 to H172.
- Or overall via the 'Yellow Lever' on the 'Retirement Plan' worksheet.

"What if some of these proposed higher marginal tax rates are introduced?"

These are adjusted in the Tables worksheet in table T10. The income bands are in columns A and B, with the appropriate rate (ACC exclusive) entered into column G.

For example, if you wanted to model the impacts of the proposed Green Party proposed marginal tax rate changes then you would set columns B and G as follows:

Row	**Column**	
	B	G
6	10,000	0%
7	50,000	17%
8	75,000	30%
9	120,000	35%
10	180,000	39%
11	5,000,000	45%

For Te Pati Māori, you would set them to:

Row	**Column**	
	B	G
6	30,000	0%
7	60,000	15%
8	90,000	33%
9	180,000	39%
10	300,000	42%
11	5,000,000	48%

"What if the company tax rate changes"

At the moment this is not used, as the investments sheet assumes any business income or property income (run through a company) is net of expenses and tax. It is listed in the Tables worksheet in table T10.

We suggest that you talk to your accountant regarding the impacts any change to the Company tax rate may have on your net income. They may have alternate suggestions to help minimise the impact for your retirement.

But a 5% change from 28% to 33%, is basically 5% reduction in net profit after tax, if you cannot minimise the impact.

“What happens if Labours CGT gets introduced?”

As already mentioned, the devil is in the detail, and this policy is more ‘soundbite’ than ‘substance’: no discount for inflation is proposed (as per Australia), and there is no consistency between the left leaning Parties re inclusion of the family home, tax rate applied or even the start date.

As proposals become clearer, we will include functionality in later releases of the spreadsheet, but currently you can model most of the proposed options that could be introduced in the future.

As the proposed CGT is basically just an extension of the existing Brightline Tax (property tax) we have exposed some of the variables used in the calculation of the Brightline tax, so if you own property, you can now change them and see the potential impacts they may have on your retirement.

The spreadsheet already calculates CGT as per the existing legislation (at your marginal tax rate if you buy then sell a property within 2 yrs). Previously this was hidden in various complex formulas, but can now be modified to try out the impacts of the different CGT proposals.

The changes to the Brightline tax you can now model are:

- Selecting if a fixed tax rate or your marginal tax rate should apply
    - If you want to model a fixed rate, you can set the rate that will apply
    - If you want to model at the marginal tax rates, don’t forget to adjust the rates to reflect the Party proposal you are modelling.
- You can set the start date the CGT will apply from
- You can set the number of ‘ownership years’ that it will apply. (Currently it is set to 2 as per the Brightline legislation, previously it has been 5 or 10 years)
- If the family home is included or not

The ‘rules’ that apply to the Brightline tax are adjusted in the Tables worksheet in table T10 along row 22 (Tables!A22).

- You can change the type of tax applied to either your marginal tax rate (current law, Greens proposal, Te Pati Māori proposal) or a fixed rate (e.g. 28% as per Labours proposal) based on which Party you are modelling by setting Tables!D22 to “M’ (Marginal) or ‘F’ (Fixed)
- If you set the tax rate to ‘F’ you can set an appropriate rate in cell Tables!F22.
- The labour proposal is for their modified Brightline tax to start in 2027, so if you plan to sell property prior to 2027, you can set the start date to 2027 for this new tax. This will result in no CGT being applied to any property sales prior to this year (assuming you have owned it for more than 2 years)
- The Period (cell Tables!K22) by default is set to 2 years as per the current legislation. It can be set to 99 years to include all investment properties sold from the Start Date.
- If you want to include the sale of the family home, you can change Tables!M22 from “N” (No) to “Y” (Yes)
- To remove the Brightline tax (as per the Act proposal), set the ‘Marginal/Fixed rate’ to “F” (Fixed), the ‘Fixed Rate’ to “0%” and the ‘Period’ to ”99” years.

To see how this works in practice:

- On the Investments worksheet, we have added a "CGT" column to the properties area to indicate if the bright-line tax should be deducted from the sale price or not. This is a simple Y or N field. We try to correctly set this for you based on the current rules located in T1 of the Tables worksheet, but you can over-ride it if needed (please let us know if we get it wrong)
- In the Details worksheet we have added some rows at the bottom of the Cash-Out group to add the above various one-off taxes as we include them. Currently it lists your properties and will calculate the applicable tax in the year of any property sale.
- At the very bottom of the Details sheet, we add up what is potentially taxable income to guess what your marginal tax rate is for each year during your retirement (based on income for that year). This is in anticipation of needing to know the marginal tax rate to apply to any new future taxes.

For example, if you own a rental property and want to try out the latest Labour party proposed CGT,

- In Tables T1 - set the type of rate to F (Fixed), the Fixed Rate to 28%, the start date to 1800 and the Period to 999 (this will cover all rental properties irrespective of when purchased or sold)
- On the Goals worksheet enter a date for the sale of one of your rental properties to 2029
- On the Investment worksheet you can see if CGT will apply on the sale or not
- On the Details worksheet in the assumptions section (columns B to I) of the bottom of the 'Cash-Out' section (rows 131 – 199), you should see the capital gain tax calculation and the interest rate used.
- If you want, change T1 to use your marginal tax rate (change F back to M), you can see your estimated taxable income and the applicable rate at the bottom of the Details worksheet by year. The capital gain gets added as income (e.g. salary + interest + NZ Super + capital gain etc.) to estimate the applicable marginal tax rate that you need to pay.

"What happens if the ACC rate gets increased?"

The ACC levy gets added to the marginal tax rates to provide the overall rate used in the calculation of income tax (and any other tax applied at your marginal rate – such as the proposed CGT above).

ACC levies are set every 3 years. In any given year, levies are intended to be equivalent to the lifetime cost of rehabilitating those who are injured in that year. Based on this, the levy can change each year, along with the maximum amount of income before the rate no longer gets added to the marginal tax rates.

The ACC levy and the maximum level of income that it applies are adjusted in the Tables worksheet in tax rates table T10.

At this time, it is unknown how the Greens propose to increase the money collected for ACC, so you can either change the levy, or the maximum income to which the levy gets applied.

- You can change the ACC levy at Tables!B19
- You can change the ACC maximum income levy at Tables!B20

We will add more information if it becomes available.

"What are the impacts on myself and/or my Partner of a wealth tax being introduced"

Of all the new proposed taxes, a wealth tax is the most punitive, and probably the least likely to be introduced (or even around for long). This seems driven by ideology rather than common sense.

The majority of OECD countries (mainly in Europe) that introduced a wealth tax, have repealed them. This is mainly due to due to administrative complexity, low revenue yield (they didn't collect as much tax as planned), and concerns over capital flight (people moved themselves and/or their capital to another country).

Assuming you have any wealth when this tax is introduced (they may start taxing you before you retire!), you can use the spreadsheet to see how many years before your wealth is eroded under the various proposals.

The current proposals around any new 'Wealth Tax' are very flaky, but we have attempted to model it as per their written policy descriptions. It has been suggested that as boomers age and their electoral weight diminishes, it is feasible voter sentiment may shift toward taxing inherited wealth rather than 'annual wealth' if a new tax was to ever apply (more like an Estate tax).

Basic modelling of both the Greens and Te Pati Māori indicates many people will have to sell their assets (i.e. dilute their wealth) to pay the tax, and will end up with no wealth left to be taxed. The 'unintended consequences' of such a tax is that the wealthy will either move themselves or their wealth to a more favourable tax jurisdiction thus avoiding the tax anyway (as experienced in Europe).

If you feel you may be captured by this new tax, and are unable (or unlikely) to relocate either yourself or your wealth, then you can now model the consequences of a wealth tax, and see the impacts on your retirement.

This new tax is adjusted in the Tables worksheet in table T10 just below the proposed Brightline tax changes. (Tables worksheet, rows 24 to 27). By default it is set to the Te Pati Māori proposal, but not turned on to be included in your plan.

- The proposed rates can be changed in column B, with the bands set in column D and F.
- The tax is calculated and shown at the very bottom of the Details worksheet and gets added as an expense when you change the "Include in retirement planning?" cell Tables!I27 from "N" to "Y".
- You can set if the tax is paid either annually or by the estate upon death (set Paid in Tables!I24) to either A or E).

We hope there will be a delay before this in introduced to sort out the details, as such you can also set a start date.

Currently if you change Tables!I24 to 'Y', the Te-Pati Māori proposal is modelled.

If you want to model the Green Party proposal, then you just need to:

- set all the rates to 2.5% and cell Tables!D24 to 4,000,000 if you are planning for a couple, or 2,000,000 if planning individually
- turn the tax on at Tables!I24

“What happens if KiwiSaver contributions get increased to 12% (6% Employee, 6% Employer?)”

Currently the spreadsheet will use the greater of what you or your employer are contributing, or the contributions required under the legislation (as changed effective 1 April 2026).

Some Parties are campaigning on further changes to KiwiSaver (most likely in advance of changing NZ Super).

The contributions required under the legislation are adjusted at the bottom of the Tables worksheet in table T13.

Here you can update the Government contribution and both the employer and employee contributions. The employee and employer contributions default to the current legal requirement.

What you are currently contributing are maintained on the Retirement Plan and your employers on the Investments worksheets. If you have elected to pay a higher contribution, then that will be used until the legislation indicates an even higher contribution applies. Table T13 is only used to model the proposed legal requirement of KiwiSaver contributions.

- Change the employee contributions for any year that you believe may be changed
- The employer contribution is linked to the employee contribution each year, but you can over type that if required.

KiwiSaver cannot be withdrawn until you reach the age of 65. If the Government raises the eligibility age for NZ Super, it could be assumed they may (or may not) change this age to align with NZ Super.

- Change the KiwiSaver withdrawal age from 65 in Tables!F408

Under our current legislation, employer contributions stop when you turn 65. If your employment contract indicates they will contribute beyond 65 (and you plan to retire after 65) then you can adjust the year in this section.

- Change the Employer Contributions end date age from 65 in Tables!D419

Currently the Government contributes $260.72 dollars each year (it used to be $512) on the assumption you have contributed $1024 and your salary is less $180,000.

- The Government contribution can be changed in this table T13 on row 410 if needed.

“What happens if the eligibility age of NZ Super gets increased?”

If you believe our predictions for NZ Super, then sometime in the future the eligibility age of NZ Super will increase. Any increase will be a phased increase, set some years into the future to provide enough time for people to save, or plan to work longer.

Currently, other events occur at age 65: you can cash out your KiwiSaver, and the Government and Employer KiwiSaver contributions cease. These are linked to a specific age ‘65’ rather than the ‘NZ Super Eligibility Age’ in the legislation. As yet it is not clear if any changes to the eligibility age will keep these events aligned.

For retirement planning purposes we suggest you assume they will all change to the same age.

To determine if changes to NZ Super will even affect you,

- guess the year that the change may apply. The current proposal by the National party is that any change to the eligibility age will not occur until 2044. This means anyone born prior to 1979 won't be affected. If you (or your Partner) were born prior to this year, you won't be affected so you do not need to try this 'what if' scenario.
- If you think it might be changed earlier than 2044, and you were born after 1979, you need to determine if you will be impacted.

If you believe you will be affected by the change, then you need to update your retirement plan in four places:

- on the 'Retirement Plan' worksheet in section A, change the Super Eligibility cells for each affected person from 65 to 67
- In the KiwiSaver contributions table T13 change:
    - the Age KiwiSaver can be withdrawn at Tables!F408 from 65 to 67
    - the age Government KiwiSaver contributions stop at Tables!AT410 from 65 to 67, and
    - the age Employer Contributions stop at age Tables!D419 (unless you have an employment contract that states otherwise, and you plan to still be working under that contract at that age.)

"What will happen if 'Means Testing' is introduced for NZ Super, will I still receive it?"

While there is inconsistency between the various political parties regarding changes to the NZ Super eligibility age, there is more likelihood that some type of means testing may be introduced.

With various reports suggesting a couple needs savings of between $900,000 and $1,250,000 to have a comfortable lifestyle in retirement, but the average KiwiSaver balances for 60 yr olds being just 65,000 per person, it is difficult to guess what the level any means testing would be introduced at.

In June 2025, Retirement commissioner Jane Wrightson indicated the government should be considering means testing, and in their report recommended means testing for the Government KiwiSaver contribution at $180,000 which was subsequently adopted.

Data from the 2023 census showed more than 9000 people aged over 65 earn more than $200,000 a year. And only 33,000 earn between $100,000 and $200,000. In the census there were 828,000 people 65 or older, so these 'high income earning retirees' are a very small % of the total.

If you assume that the average salary in New Zealand is approximately $80,000, then 2 times the average salary might be a good starting point (e.g. $160,000). But at this level, this would affect less that 1% of retirees, and make minimal reduction to the fiscal cost of NZ Super. Setting it higher would make even less fiscal difference in the sort term, but once introduced would allow future Governments to adjust it as the number of people eligible to receive NZ Super grows.

When guessing a value for the threshold, you also need to consider that any additional income you earn (in addition to NZ Super), might result in you paying tax at a higher marginal rate. So instead of paying tax on NZ Super at 17.5%, retirees earning over $180,000 are effectively paying tax on NZ Super at 39%. If the top marginal tax rates were increased as per some proposals (to 42% or 48%) then these retirees already have their NZ Super reduced by close to 50%. So again, the fiscal impacts of adding Means Testing for NZ Super is very limited, and is probably more virtue signalling than

revenue generating. But it might help reduce the fiscal impacts as the baby boomer bubble moves into retirement.

You can try out Means Testing at different Income or Asset levels, along with the year that it could apply, by changing the values in Table T3 at Tables!A47.

- change the start year from 9999 to when you think it might start (e.g. 2028)
- Adjust the income or asset level to what you think is a suitable level to forfeit NZ Super
- When setting the Asset test threshold, you can identify if this amount includes the family home (or not)
- Set the start dates back to 9999 to turn Means Testing of NZ Super back off.

You can turn just Asset or Income testing on by setting only one of the dates from 9999.

"What happens if an Inheritance tax ever gets introduced, will I have enough for Retirement?"

The current Greens Party proposal is a "*33% inheritance tax on any lifetime Gifts or inheritance > $1M*".

As there is no supporting information of how this will work, we have based our assumptions on media comments that may or may not be correct. As more information is released, we will update the assumptions surrounding this new tax to allow more accurate 'what if' planning.

An Inheritance Tax is different to an Estate Tax as it is the part receiving the inheritance or gift that pays the tax.

The most obvious interpretation of this that have been made are:

- If you plan to leave any money in your estate for your children, any amount provided to any child greater than $1 million will have the amount greater than $1M taxed at 33%.

  For example, if when you die your estate has $5 million (investments, the family home or farm etc), and you leave it equally to your two children (2.5M each). Each child will receive 2,005,000, after they pay the IRD 495,000 (990,000 in total).

- If you are planning as a couple, and one of you dies before the other, you generally inherit your partners wealth. This is typically 50% of your combined wealth, but can be greater (or smaller) depending upon wills, and what each person legally owns. For simplicity we treat it as 50%.

  This means that when you partner dies, 50% of your net wealth is treated as an inheritance, so if it is greater than $1M, you have to pay tax at 33% on the amount above 1 million.

  For example, if your partner dies before you and your combined net wealth is the 5 million you were planning on leaving to your two children, 2.5 million is your inheritance, so you have to pay $495,000 in tax to the IRD meaning your net wealth is now reduced to $4,505,000.

Then when you die, you can only leave 2,252,500 to each child, but the IRD will take a further $826,650 ($413,325x2), which means each child will only inherit $1,839,175

In our retirement planning spreadsheet, we only model the impacts on a couple when the first person dies. We don't worry about the number of parties the estate may be divided over, we just tax any amount >1M left in the Estate at 33%.

As always, if you have any questions or identify any errors please feel free to contact us so we can fix them for yourself and the many others that use our planning spreadsheet. Also, if you have other proposals or ideas you would like us to consider including in a future release, please let us know. And if you see any new tax policies published on websites, let us know so we update this lesson.

Useful Websites

This lesson was compiled using information from the following websites:

Party Websites

https://www.act.org.nz/policies

https://www.labour.org.nz/our-policies/

https://www.national.org.nz/

https://www.nzfirst.nz/policy

https://www.maoriparty.org.nz/policy

NZ Super

https://nzhistory.govt.nz/old-age-pensions-act-passes-into-law#:~:text=1%20November%201898,symbolising%20New%20Zealand's%20egalitarian%20ethos.

https://digitalnz.org/stories/5b7800108d2a4e5bfe6ff6a6