

**Media Release**

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Financial Service Provider Act changes 'provide relief for employers'

The recent introduction to parliament of the Financial Service Providers Bill will offer more certainty to employers who assist their employees with retirement savings arrangements.

That's according to Bruce Kerr, Executive Director of Workplace Savings NZ – the voice of workplace savings.

The Bill was introduced to parliament by the Hon Simon Power.

Mr Kerr says the concern of Workplace Savings NZ was for employers who make retirement savings arrangements available to their employees through the workplace, being caught by the definition of a financial service provider.

He says the organisation has worked hard with officials to develop appropriate relief mechanisms.

“Currently the Act doesn't distinguish between a real provider of financial services, such as a bank, and an employer who merely promotes a superannuation scheme for its workers.

“Left unchanged, such an employer would need to register as a financial service provider and join a disputes resolution scheme.

“The potential compliance ramifications would have been horrendous,” says Mr Kerr.

For employers who want to help their employees save through a registered superannuation scheme or a KiwiSaver scheme, the proposed changes will help exempt them from the need to register as financial service providers.

The changes recognise that the financial service is actually provided by the trustee and manager of the scheme. The protection that the legislation is designed to provide for scheme members should be achieved through trustees and managers being registered.

“Employers assisting their employees with their workplace savings arrangements will be relieved that unless they are truly in the business of providing financial services, or actually give financial advice, there should be no need to register as a financial service provider.” says Mr Kerr.

For further information

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