

# Q&A: TOWER KiwiPlan Cash4Schools

A KiwiSaver update for financial advisers, including insurance advisers

TOWER Investments has introduced a programme called Cash4Schools that is designed to provide a steady donation stream to schools nominated by TOWER KiwiPlan members

**A**n education support initiative funded by TOWER, Cash4Schools has considerable potential for financial advisers seeking ways to make recommending TOWER KiwiPlan more personally relevant to their clients and beneficial to the wider community.

TOWER Investments' KiwiSaver experts Craig Offwood and Matt Johns explain how Cash4Schools works and why financial advisers should be making use of the initiative.

**Q: So how does Cash4Schools work for KiwiSavers?**



**Craig:** People who sign up or transfer to TOWER KiwiPlan can nominate any school they wish to receive donations, say the same school their children, grandchildren, nephews or nieces attend. TOWER pays the school an initial donation of \$20 per nomination and a further 0.05% per annum – based on the TOWER KiwiPlan investor's account balance – to the school concerned.\*



**Matt:** For example, if a family of five – two parents and three school age children – all signed up to TOWER KiwiPlan and nominated their local school under Cash4Schools, the school would receive \$100 initially plus the ongoing per annum donation.

**Q: Does this donation stream come out of the TOWER KiwiPlan member's account then?**

**Matt:** No, it is paid for by TOWER, not by the nominating TOWER KiwiPlan member.

**Q: What is the benefit for schools?**

**Matt:** Many schools need to undertake fundraising to meet their budgets. Every bit helps. The more TOWER KiwiPlan investors nominating a particular school, the more donation income that school receives from TOWER. Say a school needs \$2,000 for a specific project, then just 100 Cash4Schools nominations from new or transferring TOWER KiwiPlan investors will raise that money via TOWER's initial \$20 donation per nomination. And there's the 0.05% per annum ongoing donation.

**Q: How do financial advisers benefit from this approach?**

**Craig:** Advisers can encourage clients to nominate a school, or approach schools directly to recommend the programme to parents and pupils, meaning there is another reason – a very good one – to commence KiwiSaver discussions with people.

**Matt:** Advisers should be thinking about Cash4Schools as a means to open up other advice opportunities. For example, there is a natural fit between life insurance for managing premature death risk and KiwiSaver as part of a plan to manage the retirement risk of outliving financial assets in old age. For this related pair of risks – living too long or not living long enough – the contemporary offer may be term life cover plus KiwiSaver.

Over time, increasing TOWER KiwiPlan funds under advice via Cash4Schools will help build up the income base and potential sale value of an advisory practice.

**Q: Is there a wider community dimension for financial advisers to consider with Cash4Schools?**

**Matt:** Absolutely – in fact a number of dimensions. To name just one: advisers could approach local businesses. The employer might decide to appoint TOWER as their preferred KiwiSaver provider as part of the Cash4Schools initiative, improving retirement saving service levels for employees in the process. Employees who join TOWER KiwiPlan can nominate their chosen schools to receive donations as an additional benefit. That way, schools, parents, pupils, and the wider community all get to share in Cash4Schools-related benefits.

**Craig:** There are also intergenerational dimensions to think about. Grandparents facing eventual application for the government's Residential Care Subsidy could consider Cash4Schools as a way of gifting up to \$5,000 per year in the five years prior to qualifying for the Residential Care Subsidy without compromising their eligibility. This gifting could be made into grandchildren's TOWER KiwiPlan accounts on top of the government's \$1,000 kickstart. The grandchildren's education could also benefit by Cash4Schools nomination of the school they attend. **A**

For further Cash4Schools information contact:  
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Matt Johns at (09) 984 8127 or [matt.johns@tower.co.nz](mailto:matt.johns@tower.co.nz)  
Both Matt and Craig will be attending the TOWER stand at the IFA Conference 2009 to discuss Cash4Schools with advisers.  
For a copy of the TOWER KiwiPlan investment statement and further

information, please contact your investment adviser, call TOWER on 0800 808 808 or visit [www.cash4schools.co.nz](http://www.cash4schools.co.nz).

\*Terms and conditions apply. Existing TOWER KiwiPlan members can also nominate a school, but in that case just the 0.05% per annum donation will be paid. Donations are made by TOWER or a subsidiary, and not by members, the trustee or the scheme.

# Choose a KiwiSaver scheme that benefits your school!



Just nominate your local school when you sign up or transfer to TOWER KiwiPlan, and the school will receive an initial \$20 donation from TOWER.\*

TOWER will continue to support that school with an ongoing annual donation based on the balance of your TOWER KiwiPlan account. These donations are paid for by TOWER and are at no cost to you.\*

For a copy of the TOWER KiwiPlan Investment Statement contact your local adviser or call **TOWER on 0800 808 808**

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