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By email: Deborah.Salter@mbie.govt.nz

Conditions that should qualify for early withdrawal of KiwiSaver

Dear Deborah

Thank you for inviting the New Zealand Medical Association (NZMA) to provide feedback on the above consultation. The NZMA is New Zealand's largest medical organisation, with more than 5,000 members from all areas of medicine. The NZMA aims to provide leadership of the medical profession, and to promote professional unity and values, and the health of all New Zealanders. Our response has been informed by feedback from our Board and Advisory Councils.

We note that MBIE is seeking input about policy proposals relating to the creation of a new withdrawal category in the KiwiSaver Act 2006. We understand that this category would allow a person with a congenital condition to withdraw their savings for the purpose of early retirement if their condition shortened their life below 65 years of age. We also understand that the existing serious illness withdrawal provision in the KiwiSaver Act is not appropriate for this group of persons as it can only be relied on when they are near the end of life or incapable of working.

We note that the proposed new withdrawal category would have two possible pathways: i) a set list of conditions in regulations that would qualify for withdrawal; ii) an alternative pathway for persons with a congenital life-shortening condition that is not named in regulations. For both situations, we note that MBIE is proposing that a medical practitioner would need to certify that the individual applying for withdrawal is eligible, either on the basis they have a condition named in the regulations or that they have a congenital condition that shortens their life below 65 years.

The NZMA is supportive, in principle, of this initiative, which we consider to be a thoughtful response to a difficult issue. However, rather than create a prescribed list of conditions in regulations that would qualify for early withdrawal, we recommend leaving this to the medical certifier (with guidelines for the basic parameters that must be fulfilled). While the conditions MBIE has identified for inclusion (Down syndrome, Cerebral palsy, Huntington's chorea, Foetal Alcohol Spectrum Disorder) are all appropriate, we believe it would be better for these conditions to be used simply as examples and not as an exhaustive list. Congenital diseases / abnormalities are complex in number, scope and severity. We believe that attempting to specify which diseases

are included in regulations is an unnecessarily bureaucratic approach, particularly when MBIE is also proposing a second alternative pathway that does not require named conditions.

In most cases, we believe that it should be within the scope of a General Practitioner to certify that a patient is eligible for an application for early withdrawal. However, in the case of rare congenital conditions, it may be more appropriate for another specialist to confirm it is in fact life-shortening. We recommend that the minimum requirements that a medical practitioner should be expected to fulfil when supporting an application would be to provide good data regarding prognosis along with confirmation that there are no new publicly funded medical advances which are likely to change this prognosis.

This consultation has also triggered a wider discussion on equity, including whether consideration should be given to early withdrawal for other shortened life expectancy conditions that are not congenital (eg, multiple sclerosis) as well as how to better address current inequities in policies that involve a fixed age for implementation, given the lower life expectancy of Māori compared with other ethnic groups. While these aspects are outside the scope of this particular request for feedback, the NZMA strongly recommends that all policy development in health, and other sectors influencing the social determinants of health, consider equity of outcomes as a critical factor in policy decisions.

We hope our feedback is helpful and would welcome the opportunity to engage further with MBIE as it considers these proposals.

Yours sincerely



Dr Kate Baddock
NZMA Chair