

# Incentive Saver Newsletter

April 2024



Hi All,

The air has a tinge of coolness and for me Easter was less about Easter eggs and Hot Cross buns and more about trying to finish painting the 2 walls of our house before it got too cold. Hand painting white weatherboards certainly gives lots of thinking time. I thought of my father, a paint tradesperson all of his life. Apart from an appreciation of hard work and sore muscles I reflected on how:



1. **He taught me the skill to paint well and the confidence to do it.** It has saved us thousands of dollars over the years as we have painted our home quite a few times!
2. **Working for money.** As teenagers Dad offered us work during school holidays. I remember more about the brown envelopes he handed us than the actual painting work. On the outside of the envelope he wrote the hours we had worked and the pay rate. Inside was cash! Thanks Dad.

## Newsletter Topics

This year, as well as all the usual information, tips and resources I am going to give each newsletter a specific topic. This month I want to look at car contracts. Stick with me because if it doesn't affect you then it could save a friend or family member.


### Desperate for a Car?

I understand. A poor credit rating means people are often pushed towards higher end lenders. But would you pay \$30k for a \$15K car? Because that is what is happening on a regular basis.

**Rule 1. Look at the total repayment cost of the car – not just the weekly repayment figure.** This is where most people go wrong. They are excited to get a car loan and don't look into the finer details.



A VERY common example ...

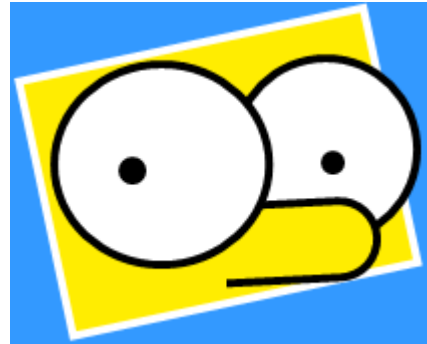
	<b>Fees</b> Referral fee (for loan) Go Connect Device fee Mechanical Breakdown Insurance Ongoing monthly fees, etc	<b>Interest</b> <b>29.95%</b>  That's high!	<b>Total cost</b>
<b>\$15,000</b>	<b>\$3,000</b>	<b>\$12,000</b>	<b>\$30,000</b>

and by the time its paid off its worth a lot less!

**Rule 2: Do not stop the insurance.** Nothing worse than paying big money for a car you no longer have!

**Note:**

1. These contracts are legal (but wrong on so many levels!)
2. The costs are not hidden in the fine print – they are normally easy to see.
3. Some contracts may not fulfil legal requirements and can be contested (too big a topic for this newsletter)



In the end if you are still desperate to have that car then that's your choice. Just go into it with your eyes wide open.

## WORK AND INCOME

### TE HIRANGA TANGATA

**Benefit Increases from 1 April. Full increase will show in payments from 8 April.**

Benefit	Now
Jobseeker 20-24 no children	\$307.87
Jobseeker 25+ no children	\$353.46
Jobseeker Couple no children	\$601.46
Sole parent	\$494.80
Superannuation single	\$519.47
Super couple	\$799.18
Family Tax Credit	\$144 max oldest child and \$117 other children

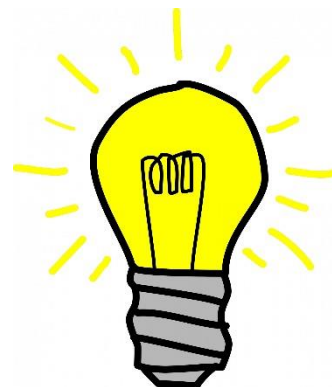
## Power Credits

Thanks to the Mum at Aratupu who reminded me of the power credits scheme. This opened in June 2022 for households and is intended to help people during the time Low Fixed rates are phased out. It is for those who are struggling to pay their power bills.

Power companies can give a \$110 credit to customers who are experiencing power hardship. Customers must be on, or were on in the last 6 months, a low-use plan.

If this is you apply to your power company directly.

Contact Energy, Genesis Energy, Mercury, Meridian Energy and Nova Energy are the electricity providers currently participating in the scheme.



## Will and Funerals (From Aged Concern newsletter)

If there is a Will banks will usually allow for the payments of funeral costs from a deceased's account. This can be done by providing the bank with a copy of the funeral invoice and completing a form signed by the Executor of the Will.

While it is common practise for family members to pay for funeral costs on the understanding they will be reimbursed from the estate be aware. Once an invoice is paid it ceases to be a debt, and there is no guarantee of reimbursement unless the executors or beneficiaries agree.



## Resources

### Aratupu Preschool

Want to start saving and want more information about the Incentive Saver Scheme? I will be at Aratupu Preschool to explain how it works and answer any questions.

#### Aratupu Preschool

Mon 6<sup>th</sup> May from 1.30pm

Tues 7<sup>th</sup> May from 9am

I really hope we can start a savings group there this year.

### Frances Cook Online Sessions

Frances Cook from **Cooking the Books** fame has an online 4 session course around money so if you want to learn more at home here's the link to enrol

<https://www.francescook.co.nz/money-made-simple>

## Simplicity

Free Online learning. You choose topics which include Kiwisaver and Children, Women and Money, Investing, First Home Buyer, Retirement, Money 101



<https://simplicity.kiwi/learn/classrooms>

Lastly - Be proud so many people say they want to save or that they've never been able to save or that they want to but never started - you folk are doing it!



## Happy Saving!

Thank you also to those of you who spread the word about Incentive Saver amongst family, friends and clients.

If you are interested to know more about the Incentive Saver scheme or want your name added to the newsletter list just send me an email

Linda Smith Financial Mentor [lindas@mmsi.or.nz](mailto:lindas@mmsi.or.nz)

If you no longer wish to receive newsletters from me please reply with "unsubscribe" in the subject line.