Improving the retirement savings

of the self-employed

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Abstract

There is evidence that self-employed New Zealanders, such as sole traders and contractors, are falling behind employees when it comes to saving for retirement.

To help shed light on why this may be the case and what could be done to turn this around, this paper presents data drawn from Hnry's customer data, the Hnry Sole Trader Pulse (an independent survey), the Retirement Commission's Financial Sentiment Tracker, administrative data on KiwiSaver contributions, and Stats NZ's integrated data infrastructure.

This data shows that compared to salary and wage earners, the self-employed are less likely to regularly contribute to KiwiSaver due to financial strain, investment preferences, and potential unawareness of government incentives. These barriers mirror findings in Australia and the United Kingdom.

This paper also discusses strategies that could help boost retirement savings for the self-employed. It highlights that while the KiwiSaver scheme meets many of the OECD guidelines for inclusive retirement savings systems, there is room for improvement in supporting the self-employed.

Further, the recent changes to KiwiSaver settings announced by the Government in the 2025 Budget, particularly relating to the government contribution, will likely negatively influence ongoing saving behaviour of the self-employed.

The findings in this paper will support the 2025 Review of Retirement Income Policies (RRIP) by Te Ara Ahunga Ora Retirement Commission (the Commission).

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Executive summary

Self-employed New Zealanders—such as sole traders and contractors—are falling behind employees when it comes to saving for retirement.

A smaller share of the self-employed contribute to KiwiSaver, and those who do tend to make lower total contributions and have lower balances (due to the absence of employer matching). They are also less likely to receive the full government contribution.

The 2023 Census identified over 420,000 self-employed in New Zealand. This is a diverse group, which includes healthcare workers, tradies, creative freelancers, contractors, consultants, and gig workers.

This report examines why their retirement savings tend to be lower, the risks that emerge if this gap is not addressed, and how their long-term financial security could be improved.

Throughout the paper we use the following definitions of self-employed and sole trader.

Table 1 - Definitions of self-employed and sole trader

Self-employed	Sole trader
Someone who conducts business activities on their own operating either as a sole trader or under a company structure.	Unless specified otherwise, a sole trader will be defined as "self-employed with no employees and not operating under a company structure".[1] However, in some cases sole traders can also be employers, which is typically captured as separate data.[2]

Why the self-employed save less

Several things may explain why the self-employed save less than employees.

The first is irregular income and financial strain. Unpredictable earnings make it hard for the self-employed to contribute regularly. Nearly half (46%) of sole traders in Hnry's Sole Trader Pulse survey cite a lack of spare income as the main barrier to KiwiSaver saving. Short-term financial pressures often override long-term saving goals, leading to irregular or paused contributions.

The second is that participation in KiwiSaver is voluntary (no auto-enrolment). Unlike employees, self-employed workers need to opt into KiwiSaver and they receive no employer contributions, which can influence their participation and contribution rates. The lack of automatic enrolment and default contributions means inertia or hesitation can lead to them under saving for retirement.

The third is differences in preferences and awareness. Some self-employed workers prefer to invest in their own businesses or liquid assets rather than locking their money away. Or they may want funds accessible for emergencies. Others may be unaware of KiwiSaver incentives. These personal choices and knowledge gaps further reduce KiwiSaver participation among this group.

1 Business.govt.nz, "Becoming a sole trader", https://www.business.govt.nz/getting-started/sole-trader-guide/becoming-a-sole-trader
2 Business.govt.nz, "Hiring an employee", https://www.business.govt.nz/hiring-an-employee

What are the consequences of inadequate saving (if nothing changes)?

The relatively low savings of the self-employed raise several concerns.

The first is insufficient retirement funds. Many self-employed people risk reaching retirement with little private savings. Over time, this could leave a significant number of New Zealanders financially unprepared in old age.

The second is widening inequity. Without change, the gap in retirement savings between self-employed individuals and employees will continue to grow. Lower-income sole traders, in particular, are less likely to build adequate nest eggs.

The third is the burden on the public. Without improvements, more retirees will rely heavily on government transfers (such as NZ Super and other benefits) and other public support. Today's inaction could become tomorrow's fiscal burden, putting greater demand on taxpayer-funded assistance as a growing segment of the workforce enters retirement financially insecure.

In short, inaction now risks long-term financial vulnerability for a significant and growing group of Kiwis.

How could the retirement savings of the self-employed be improved?

Several strategies could help boost retirement savings for the self-employed.

The first is to enable easy participation. Making KiwiSaver enrolment nearly effortless – with an option to opt out, could draw in more self-employed savers by default. This could involve consideration of automatic enrolment or default contributions for the self-employed (for example, via tax return processes or accounting apps) to counter low sign-up rates.

The second is to increase the flexibility of contributions options. Currently, self-employed workers need to commit to a fixed dollar contribution amount or make ad hoc lump sum payments. If they want to contribute a proportion of their income to KiwiSaver (e.g. 4%) as and when they earn it then they need to do these calculations manually.

The third is improved incentives and support. This could include targeted KiwiSaver incentives for lower-income self-employed people, such as higher government contribution matches for modest deposits, or other financial rewards that replicate the employer match available to traditional employees. Such measures would especially help lower-income self-employed individuals who currently get the least from the scheme. The design of any incentives requires further analysis.

The fourth would be to draw lessons from overseas innovations helping people with irregular income to save. One idea is a "side car" savings account – an attached, accessible emergency fund that fills up first, giving self-employed workers some liquid savings before contributions flow into their locked retirement fund.

It could also be possible to make saving less daunting by enabling and promoting small, frequent contributions through convenient channels (e.g. allowing deposits at stores or via mobile apps linked to income transactions, as seen in Mexico). These ideas also require further analysis.

Finally, there is a need for education and engagement. Targeted financial education and tools could help the self-employed plan contributions around their cash flow, understand KiwiSaver benefits, and build confidence in investing for retirement. Simple guidance (for instance, highlighting how even contributing 4% of income can add up over time) and success stories could nudge more self-employed to start and continue saving.

Bridging the retirement savings gap for self-employed New Zealanders will require policy tweaks, innovative products, and proactive engagement. Doing this will help New Zealand better support its growing self-employed workforce in achieving a financially secure retirement.

Introduction

Hundreds of thousands of New Zealanders earn their primary income through self-employment, with 70% of businesses in the country operating as sole traders.[3]

In the 2023 Census there were 2,622,723 people in the labour force, of which 286,176 people (10.9%) were classed as self-employed with no employees.[4] A further 138,162 (5.3%) were self-employed employers.

The self-employed population is particularly diverse, encompassing a wide range of individuals with varying backgrounds, motivations, and work structures. The different segments and characteristics that make up the self-employed community include:

- Creative professionals: Designers, writers, journalists, photographers, content creators, and artists.
- Trades and services: Electricians, plumbers, carpenters, builders, mechanics, cleaners, and beauty therapists.
- Consultants and advisors: Business consultants, financial advisers, IT specialists, and marketing experts.
- Health and wellbeing: Personal trainers, dietitians, physical therapists, and yoga instructors.
- Healthcare: Doctors, nurses, midwives, GPs, counsellors, and psychologists.
- Gig economy workers: Rideshare drivers, delivery couriers, and freelancers working via digital platforms like Upwork or Fiverr.
- Tech and IT workers: Web developers, app developers, software engineers, and data analysts.

And there is a long tail of occupations that tend to operate under a self-employed model, including beekeepers, private investigators, sex workers, driving instructors, and miners.

Yet despite the number of self-employed, there is limited publicly available data on the retirement savings of this group. To help close this gap, this paper makes use of data from surveys and privately held data for sole traders to explore the retirement savings behaviours of the self-employed. Note that at times the data in the paper relate to the self-employed and at times they relate to sole traders. The definitions of self-employed and sole traders used in this paper are contained in Table 1 above. The data sources used are summarised in Table 2.

3 Infometrics, "Size of business units," Regional Economic Profile, https://rep.infometrics.co.nz/new-zealand/business/size-of-businesses

4 Geoff Bertram and Bill Rosenberg, "The changing face of self-employment in Aotearoa New Zealand, 1939-2024", Victoria University of Wellington, 2025

Table 2 - Data sources used in this paper

Source	Employment type
Hnry Sole Trader Pulse (an independent survey conducted quarterly by Resolve Strategic)	Sole trader* (New Zealand and Australia)
Hnry internal customer data	Sole trader (New Zealand)
Financial Sentiment Tracker (the Commission)	Self-employed**
Distributional analysis of KiwiSaver contributions (New Zealand Policy Research Institute)	Wage and salary earners
Inland Revenue customised data request	Wage and salary earners and self-employed
Analysis of KiwiSaver changes: Budget 2025 (the Commission)	Self-employed
Evidence from Australia (excluding Hnry Sole Trader Pulse)	Self-employed
Evidence from the UK	Self-employed
OECD Guidelines	Self-employed

Notes:
** the Hnry Sole Trader Pulse is independently conducted and most participants (90%+) aren't Hnry customers.*
*** Participants stated they were self-employed by choosing the option "Self-employed / contractor / running your own business (which can include Uber, Airbnb etc)"*

Why this topic matters

The nature of work in New Zealand is shifting, with self-employment becoming an increasingly common source of income. Census data shows that the population of workers that identify as self-employed and without employees increased by 14.4% over 2018-23.[5] This was double the growth of the total labour force over the same period.

Despite this, the self-employed remain underrepresented in KiwiSaver participation and contribution rates. There is also little data on how they engage with KiwiSaver, and little understanding of the barriers to saving they face.

If these patterns are not addressed, a growing portion of the workforce will risk reaching retirement without sufficient private retirement savings. Unlike employees, self-employed individuals do not receive employer KiwiSaver contributions, and their income can be highly variable, increasing the likelihood of under-saving.

This could lead to poorer retirement outcomes for the self-employed, greater inequity between employment types, and increased future pressure on public support systems. Inaction today risks creating long-term financial vulnerability for a significant and growing segment of New Zealand's population.

5 Geoff Bertram and Bill Rosenberg. "The changing face of self-employment in Aotearoa New Zealand, 1939-2024"

The urgency to address KiwiSaver engagement among the self-employed is increasing. The rise of contracting, freelancing, the gig economy and other non-traditional work models has meant that self-employment is no longer a fringe segment — it is a core part of the New Zealand economy.

As the composition of the workforce evolves, it is critical that retirement savings frameworks evolve too. Ensuring the self-employed have the right structures, incentives, and support to engage with KiwiSaver is vital to promoting long-term financial security across all sectors of the workforce.

This paper explores the retirement savings behaviour of self-employed workers. The findings of this paper will inform the 2025 review of retirement income policies being undertaken by Te Ara Ahunga Ora Retirement Commission (the Commission).

Self-employed workers are more likely to be financially uncomfortable

As shown in Table 3, the self-employed have tended to be more likely to report being financially uncomfortable than wage or salary earners.

While financial discomfort has increased for both groups since 2021-22, this has increased more for the self-employed, especially over the last year. In 2024-25, 60% of self-employed were struggling financially compared to 50% of wage or salary earners.

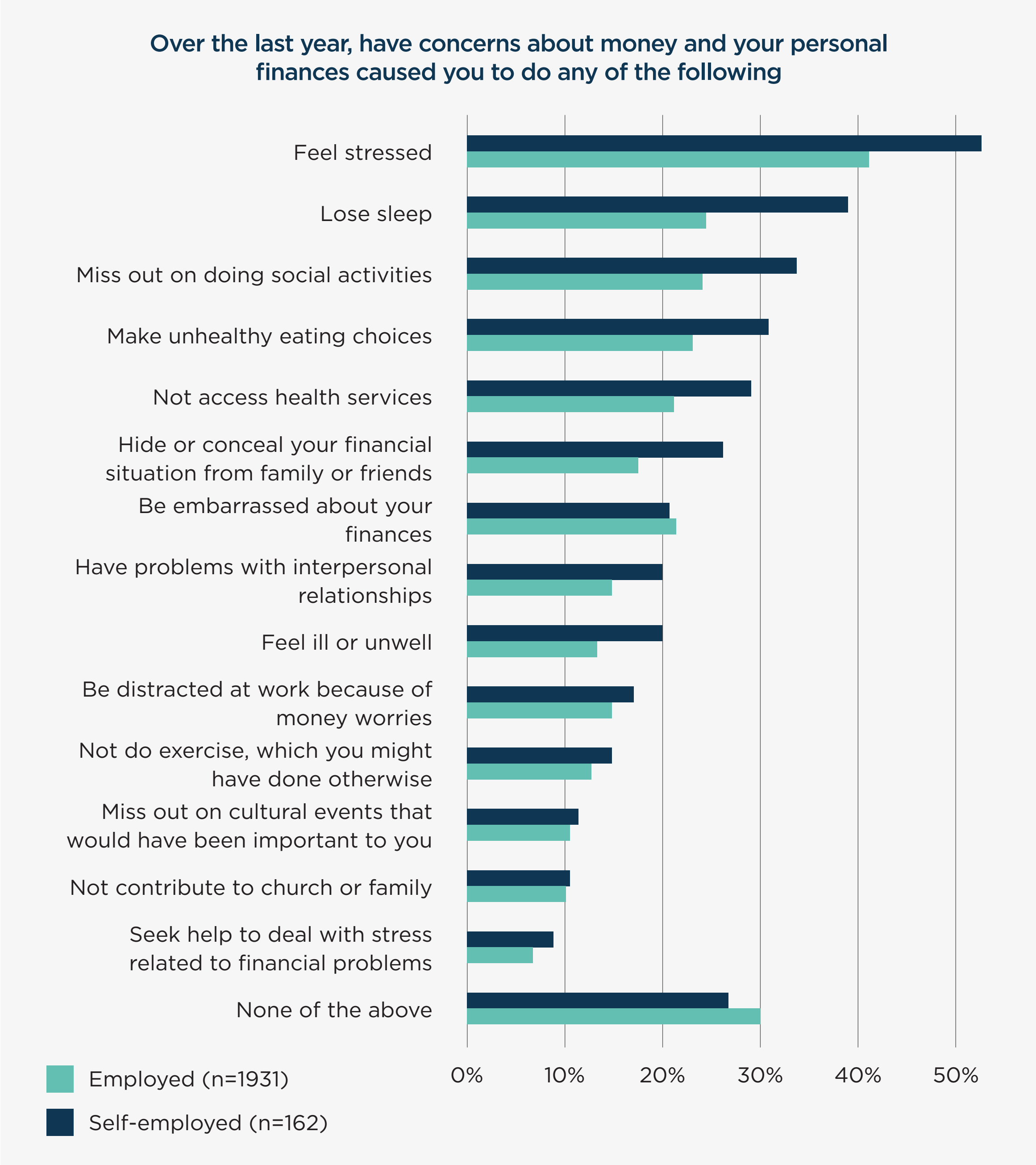
Further, as Figure 1 shows, compared to employees, the self-employed are more likely to indicate that over the past year they had felt stressed, lost sleep, missed out on social activities, not accessed health services, and/or hidden or concealed their financial situation from others.

Table 3 - Financial sentiment of employees in comparison to self-employed

	Apr 2021 to Mar 2022		Apr 2022 to Mar 2023		Apr 2023 to Mar 2024		Apr 2024 to Mar 2025	
	Employees	Self-employed	Employees	Self-employed	Employees	Self-employed	Employees	Self-employed
Flying ahead	2%	1%	4%	2%	5%	2%	3%	2%
Swimming happily	20%	21%	18%	17%	16%	21%	16%	12%
Starting to swim comfortably	35%	31%	32%	29%	28%	28%	30%	26%
Just treading water	33%	33%	34%	36%	38%	32%	35%	40%
Sinking a bit	7%	8%	8%	13%	9%	11%	11%	9%
Sinking badly	3%	5%	3%	3%	4%	6%	5%	11%
Net financially comfortable	57%	53%	55%	48%	49%	51%	50%	40%
Net financially uncomfortable	43%	47%	45%	52%	51%	49%	50%	60%
Base (weighted, aged under 65)	2069	175	2395	242	2230	211	1931	162

Source: Retirement Commission's Financial Sentiment Tracker 2025

Figure 1 - Concerns over money of employees and the self-employed



Source: Retirement Commission's Financial Sentiment Tracker Apr 2024 to Mar 2025

Self-employed workers are less likely to participate in KiwiSaver

KiwiSaver participation and contribution patterns differ markedly between employees and the self-employed.

Approximately 90% of eligible wage and salary earners are actively contributing to KiwiSaver. Among these, fewer than 5% are on a savings suspension, and most suspensions last less than a year.[6]

In contrast, the self-employed are not required to contribute to KiwiSaver and do not receive employer contributions. Participation is voluntary, and contribution rates and amounts are typically lower and more variable. Many self-employed members contribute irregularly or at lower levels, often through annual lump sums rather than regular deductions. This results in significantly lower average balances and contribution consistency compared to employees.

Modelling undertaken for the Commission by AUT has shown that wage and salary earners contribute an average of 3.7% of gross earnings and receive an additional 2.9% from their employer.[7] In comparison, Hnry's Sole Trader Pulse (see Table 7) has shown that self-employed individuals who do contribute to KiwiSaver average just 2.6% of annual income - and nothing from an employer.

This means the average sole trader contributes less than half as much overall to KiwiSaver as a typical employee.

6 Te Ara Ahunga Ora Retirement Commission, "KiwiSaver – Opportunities for Improvement," 2024, https://assets.retirement.govt.nz/public/Uploads/Research/2024/KiwiSaver-Opportunities-for-Improvement.pdf

7 Linda Kirkpatrick, Lisa Meehan, and Gail Pacheco, "Distributional analysis of KiwiSaver contributions", New Zealand Policy Research Institute, 2024, https://assets.retirement.govt.nz/public/Uploads/Policy/Distributional-analysis-of-KiwiSaver-contributions.pdf

Understanding savings behaviour of the self-employed

There is limited publicly available data on the retirement savings of self-employed workers. This section draws on two sources to help fill that gap. The first is a Commission survey tracking financial sentiment, which includes responses from self-employed individuals. The second is from Hnry's NZ Sole Trader Pulse survey data and internal customer data, which covers sole traders using their platform.

Survey data on the self-employed

Table 4 - KiwiSaver membership and contribution by employment status

	Apr 2021 to Mar 2022		Apr 2022 to Mar 2023		Apr 2023 to Mar 2024		Apr 2024 to Mar 2025	
	Employees	Self-employed	Employees	Self-employed	Employees	Self-employed	Employees	Self-employed
Contributing KiwiSaver member	76%	48%	77%	45%	78%	44%	78%	44%
Non-contributing KiwiSaver member	12%	27%	13%	31%	12%	31%	12%	41%
Not a KiwiSaver member	12%	25%	11%	24%	11%	25%	10%	15%
Base (weighted, those aged under 65, excludes KiwiSaver membership status 'don't know')	1,686	145	2,380	238	2,209	208	1,923	158

Source: Retirement Commission's Financial Sentiment Tracker April 2021 to March 2025

The Commission's financial sentiment survey highlighted differences in savings behaviours between the self-employed and employed. When asked if "I am actively saving for my retirement" significantly fewer self-employed participants agreed with the statement (53%) compared to employees (61%).

Table 4 shows results for participation in KiwiSaver for the self-employed and for employees from the Commission's financial sentiment survey. Far fewer self-employed participants were contributing KiwiSaver members (44% in 2024-25) compared to employees (78%). Between 2021-22 and 2024-25 the share of self-employed who were members of KiwiSaver but not contributing also increased from 27% to 41%.

Table 5 also shows that while self-employed participants were less likely to contribute to KiwiSaver, they were more likely to hold investments (40%) than employees (32%). However, only 30% of self-employed participants had more than $30,000 in savings or investments (excluding property and including term deposits), compared to 45% of employees (although sample size issues mean these comparisons need to be treated with caution). When asked to estimate their debt levels, self-employed and employed participants reported similar figures. Further analysis of asset holdings across both groups may reveal important behavioural differences.

Table 5 - Estimated amount saved in savings/investments (including term deposits, excluding property or home) for employees and self-employed participants (2024-25)

Source	Employee	Self-employed
I have none	12%	18%
$1 - $9,999	21%	30%
$10,000 - $19,999	11%	13%
$20,000 - $29,999	12%	9%
$30,000 or more	45%	30%
Base (weighted, those aged under 65)	779	60

Source: Retirement Commission's Financial Sentiment Tracker Oct 2024 to March 2025

Hnry data on sole-traders

A more detailed view on the saving behaviours of sole traders can be drawn from Hnry's NZ Sole Trader Pulse (October 2023 and June 2025) and internal customer data.

The Hnry Sole Trader Pulse is the first and only survey in Australia and New Zealand focused on understanding the sentiment, views and experiences of sole traders. Delivered three times per year, it is an independently conducted poll of 500 sole traders, the majority of whom are not Hnry customers. In the October 2023 Pulse, New Zealand's sole traders were asked about their KiwiSaver contributions.

Hnry internal customer data covers contribution figures from tens of thousands of sole traders in New Zealand, spanning a broad range of industries, income levels, and working patterns. This includes professionals, consultants, creatives, tradespeople, and gig economy workers — providing a diverse and representative cross-section of the wider sole trader population. Given the scale of Hnry's customer base, this dataset offers one of the most comprehensive real-world insights into the financial behaviours of sole traders nationally.

Sole traders' contributions to KiwiSaver

Table 6 shows how income is a strong predictor of KiwiSaver participation among sole traders. Income appears to have a stronger effect than age, region, or industry. Sole traders who made contributions in the past year had an average income of around $73,000, compared to around $41,000 among those who did not.

Table 6 - Hnry sole traders who did /did not contribute in the 12 months to 30 June 2024

	Contributes a set % to KiwiSaver	No evidence of KiwiSaver contributions
Average income	$72,800.66	$41,498.07
Average age	38.0	37.8

Source: Hnry internal customer data

This implies that KiwiSaver contributions are tied to financial capacity – higher earners are far more likely to contribute, while lower-income sole traders are effectively excluded from building long-term retirement savings.

Hnry's Sole Trader Pulse also shows that among sole traders who contribute to KiwiSaver, the average contribution rate is modest. On average just 2.6% of annual income is put into KiwiSaver by sole traders. The average contribution rate made by Hnry sole traders was slightly higher at 3.2%, likely due to the optional automated allocations to KiwiSaver provided by the Hnry service. Nonetheless, in both cases this equates to less than employees given the absence of the employer contributions.

Table 7 - Mean proportion of sole trader income put into KiwiSaver in 12 months prior

	Average % of sole trader income put into KiwiSaver in 12 months prior
Hnry Sole Trader Pulse	2.6%
Hnry internal customer data	3.2%

Source: Hnry Sole Trader Pulse and Hnry internal customer data

Table 8 - Mean proportion of sole trader income put into KiwiSaver in 12 months prior, by segment

		Average % of sole trader income put into KiwiSaver in 12 months prior
Segment: Age	17-34	3.7%
	35-54	2.1%
	55+	2.6%
Segment: Financial performance	Poor financial performance	1.9%
	Neutral financial performance	2.2%
	Good financial Performance	4.0%

Source: Hnry Sole Trader Pulse

Age and financial health strongly influence contribution levels of sole traders. Young sole traders (17–34) and those with good financial performance tend to contribute more (3.7% and 4.0%, respectively). Meanwhile middle-aged traders (35–54), those with poor/neutral financial health, and those without a salaried job contribute less (around 2%).

There is also evidence of a reactive, rather than proactive, savings mindset. Almost a quarter (23.6%) of sole traders plan to cancel or delay contributions to their KiwiSaver.

Again, this appears to be tied to financial performance, with 33.1% of sole traders with poor financial performance planning to delay or cancel contributions, compared with 20.0% of sole traders with neutral financial performance and 23.7% of sole traders with good financial performance who said the same thing.

Table 9 - Proportion of sole traders planning to cancel or delay KiwiSaver contributions

		% sole traders planning to cancel or delay KiwiSaver contributions
Segment: Total	Total base	23.6%
Segment: Financial performance	Poor financial performance	33.1%
	Neutral financial performance	20.0%
	Good financial performance	23.7%

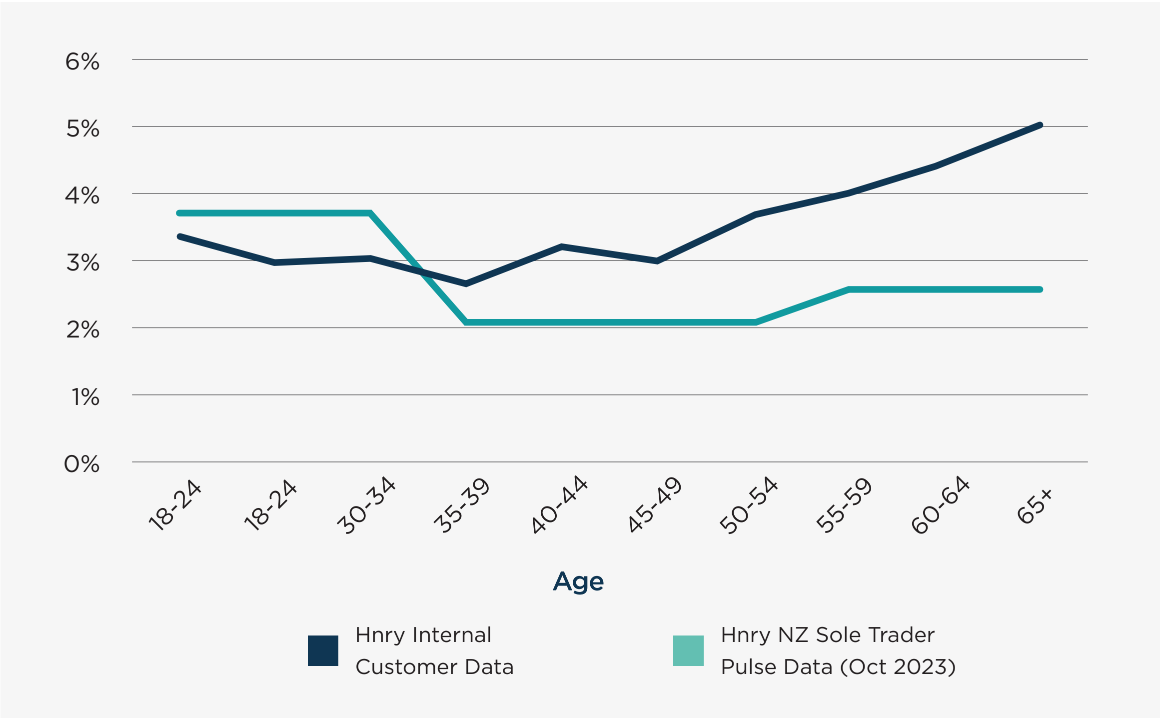
Source: Hnry Sole Trader Pulse

As shown in Figure 2, contribution patterns appear to follow a U-shaped curve, where KiwiSaver contribution rates tend to decline in mid-life and increase again as sole traders near retirement. In the Pulse data, the average self-reported contribution rate is 3.7% for people aged 17–34, dropping to 2.1% for people aged 35–54, before rising to 2.6% for those aged 55 and over. A similar trend is evident in Hnry's internal customer data, where contribution rates fall from 3.0% (under 34) to 2.64% (ages 35–39), before climbing to 4.3% for those aged 55+.

This U-shaped trajectory suggests that many sole traders may be under-investing during their peak earning years, only attempting to catch up as retirement approaches. This reactive pattern poses a serious risk: delaying meaningful contributions until later in life reduces the potential for compound growth and may leave individuals financially unprepared for retirement.

This chart also indicates that Hnry customers, on average, contribute 1-2% more than the wider population of sole traders. This is likely because Hnry removes the manual effort of making contributions, while giving customers the flexibility to contribute a percentage of their income as they earn - rather than requiring them to make fixed payments at regular intervals. In an ideal world this is how KiwiSaver contributions would work for all sole traders (not just Hnry customers).

Figure 2 - Mean annual KiwiSaver contribution rate (% of gross sole trader earnings)

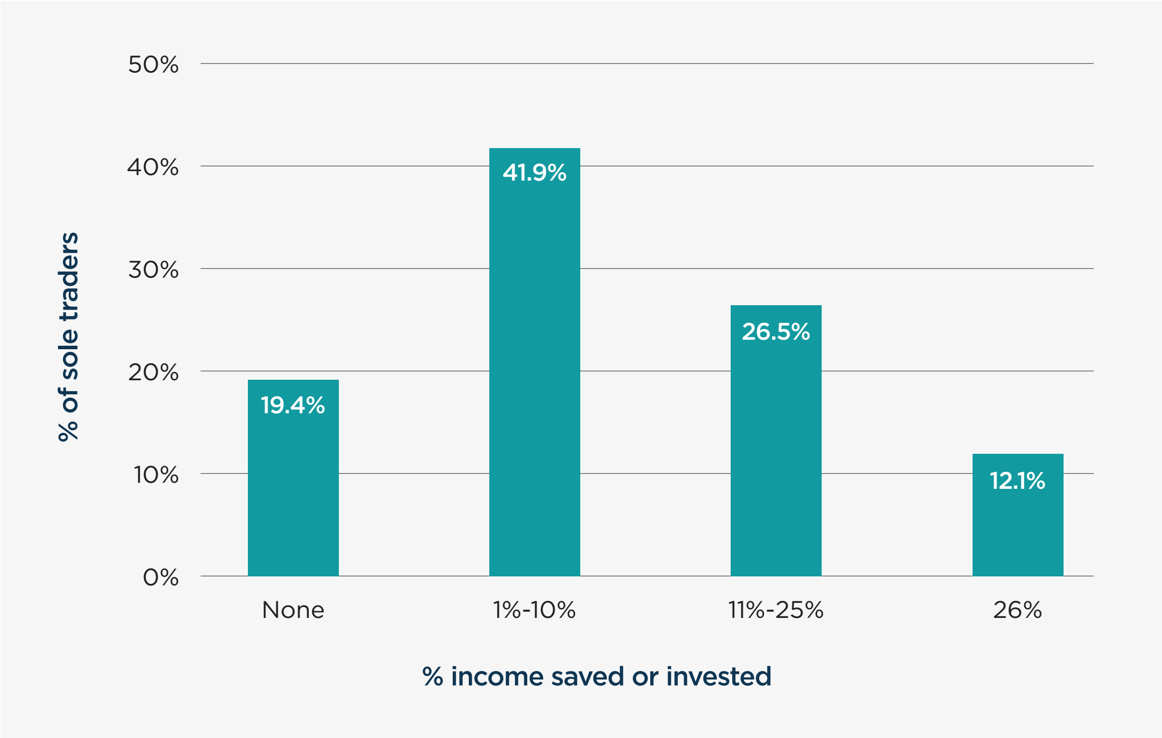


Source: Hnry Sole Trader Pulse and Hnry internal customer data

Reasons sole traders may not use KiwiSaver

As shown in Figure 3, while 41.9% of sole traders are saving between 1% and 10% of their income from all jobs, approximately 19.4% of respondents reported not saving anything at all, meaning a significant portion are not building any financial buffer, leaving them vulnerable to income shocks and long-term insecurity.

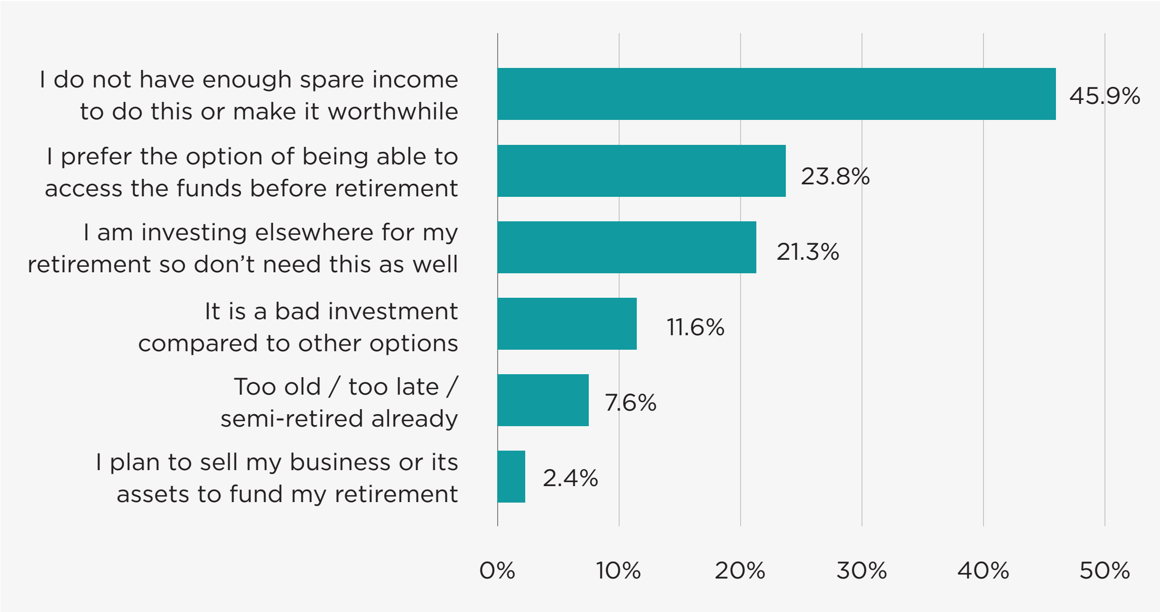
Figure 3 - Average percentage of income saved or invested over the last year or so



Source: Hnry Sole Trader Pulse

Figure 4 shows the sole traders' reasons for not saving or investing in KiwiSaver. The primary barrier to continued contributions is financial strain, with 45.9% of sole traders citing a lack of spare income. Other reasons include a preference for liquidity, keeping their savings accessible rather than locked into a retirement scheme (23.8%), use of alternative retirement investment vehicles (21.3%), and viewing KiwiSaver as a poor investment relative to other options (11.6%).

Figure 4 - Reasons for not saving or investing in KiwiSaver



Source: Hnry Sole Trader Pulse

These findings suggest that KiwiSaver engagement remains highly sensitive to short-term financial pressures—limiting long-term savings outcomes for many sole traders. Because sole traders often have irregular income patterns, and do not receive paid sick leave or annual leave from an employer, their earnings can fluctuate significantly over time. Most sole traders will experience periods of higher income followed by quieter stretches where income is much lower.

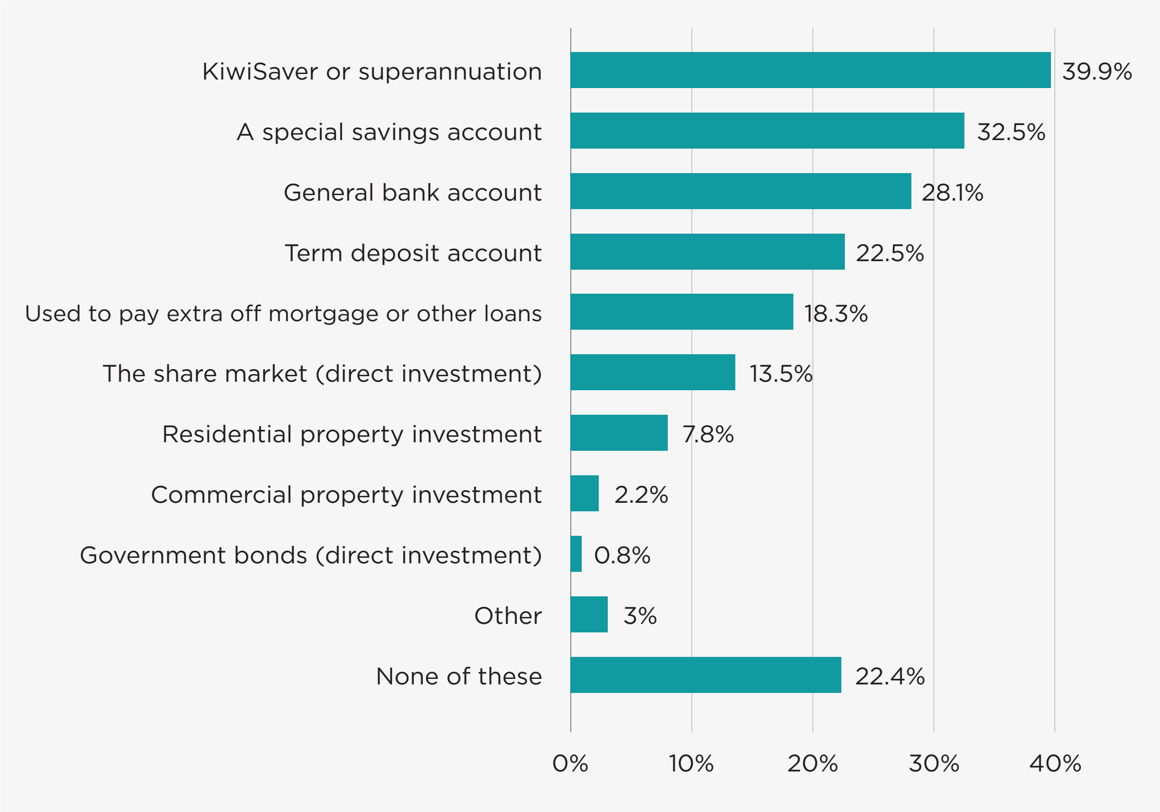
This also highlights the importance of flexibility. When setting up a KiwiSaver contribution, most financial institutions in New Zealand only offer fixed contribution dollar amounts at regular intervals, such as weekly, fortnightly, or monthly, via direct debits or automatic payments. This rigid structure doesn't align with the unpredictable nature of sole trader income. As a result, many sole traders are understandably hesitant to set up these fixed contributions, concerned that they may not always have the cash flow available to meet each scheduled payment.

If the retirement system was designed with sole traders in mind, it would allow KiwiSaver contributions to be based on a proportion of income as and when it is earned. Under this type of system, when a sole trader is bringing in more income, they contribute more to KiwiSaver. And when they earn less their contributions naturally scale down.

While this approach seems sensible in theory, implementing it would be complex in practice. Banks would need mechanisms to 'tag' income for percentage-based deductions or offer purpose-specific accounts — similar to how Hnry operates — which would require significant changes to existing banking infrastructure.

Figure 5 shows how sole traders who do save or invest their income do so through a variety of methods. KiwiSaver is the most common vehicle (39.6%), followed by a savings account (32%) or a term deposit (22%). Relatively few (less than 15%) are putting into more active investments, such as shares or property.

Figure 5 - Savings and investment products used by sole traders



Source: Hnry Sole Trader Pulse

A reliance on lower-growth savings vehicles like basic bank products, combined with the low contribution rate into KiwiSaver and the low uptake of potentially higher-return investments such as shares or property, indicates a financial approach that may limit long-term wealth accumulation for sole traders. Additionally, as noted in Figure 4 only 2.4% stated they would sell their business or assets to fund retirement.

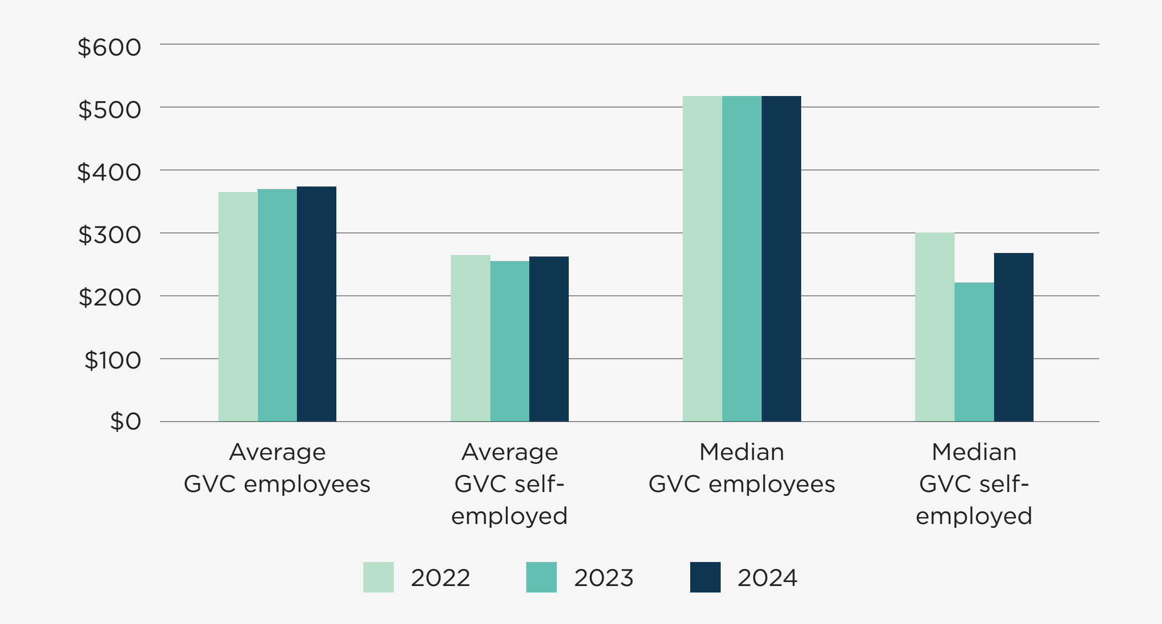
The role of the government contribution to KiwiSaver

To assess the distributional impact of the government contributions, Inland Revenue (IR) provided anonymised and detailed data for the tax years ended March 2022, 2023, and 2024.[8] These data provided insights into the distributional differences between employees (salary and wage earners) and the self-employed in terms of receipt of the government contribution.

On average over the past three years, 89% of the total value of government contributions were paid into the KiwiSaver accounts of employees, with only 7% paid into the KiwiSaver accounts of the self-employed. As defined in this study, employees make up about 73% of the KiwiSaver membership base, whereas those who are self-employed account for 8% of members.[9]

There are large differences between the government contributions received by these two groups, both when looking at the average contribution and the median contribution (see Figure 6). Average government contributions received by self-employed people are about 30% lower than those received by employees, and median contributions are 50% lower.

Figure 6 - Average and median government contribution (GVC) for employees versus self-employed

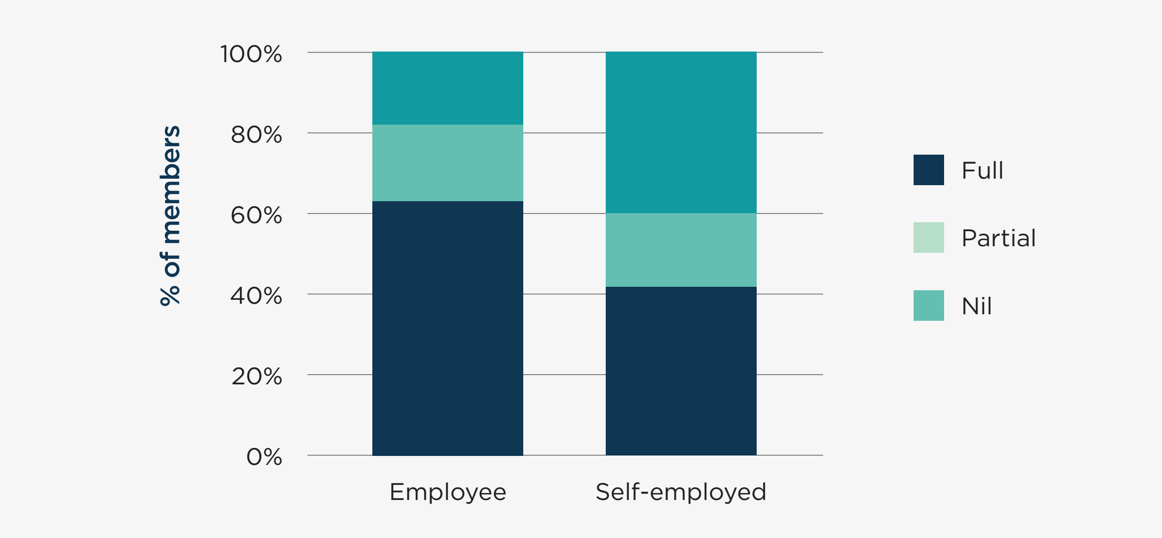


Source: Analysis of data from custom data request IR, 2025

8 IR customised data request 7 March 2025 (Retirement Commission RRIP 2025 PR-835). Inland Revenue disclosed the information to the Retirement Commission for the purpose of supporting the 2025 RRIP. Inland Revenue can disclose this revenue information in accordance with section 18(3) of the Tax Administration Act 1994 as it is 'revenue information' (as defined in the Act) and release of the revenue information will not adversely affect the integrity of the tax system or prejudice the maintenance of the law.

9 For the purposes of this analysis, PAYE reflects salary and wage earners; 'self-employed' includes those earning income from self-employment, rental income and schedular income.

Figure 7 - Employees versus self-employed full, partial and nil government contributions



Source: Analysis of data from custom data request IR, 2025

There are differences in the proportions of members receiving the full, partial or no government contribution when analysing employees versus self-employed people (see Figure 7).

On average over the past three years, a larger proportion of employees who are KiwiSaver members received the full government contribution compared to self-employed KiwiSaver members (62% versus 41%), whereas a similar proportion received a partial contribution (18%-19%). A much larger proportion of self-employed KiwiSaver members received no government contribution compared to employees who are KiwiSaver members (41% versus 19%).

There is also an effect where the government contribution is skewed towards higher earners. Internal data from Hnry shows that among people who did contribute to KiwiSaver, just over half (53.0%) surpassed the $1,042.86 threshold required to receive the full government contribution. However, people who qualified for the full top-up had an average income of around $110,000, compared to around $31,000 for those who did not—a gap of nearly $80,000. This finding underscores a structural inequity witnessed among sole traders: people most in need of support are least likely to benefit from government incentives. It highlights the need to ensure KiwiSaver better supports lower-income sole traders who risk falling through the cracks of the retirement savings system, as the current structure will continue to favour higher earners and likely widen wealth inequality across the sole trader population.

Effect of changes to the government contribution

Changes to the government contribution were announced on 22 May 2025 as part of Budget 2025. For the year commencing 1 July 2025:

- 16- and 17-year-olds became eligible for the government contribution, if they contribute.
- The government contribution matching rate was reduced to 25% (i.e. 25 cents for every $1 contributed up to a maximum government contribution of $260.72).
- Members with an annual income of more than $180,000 were no longer be eligible for the government contribution.

Changes were also made to employee and employer contribution rate settings.

The policy change will reduce the retirement savings of self-employed KiwiSaver members, as they face the reduction in the government contribution with no increase in employer contributions to offset this.[10] Table 10 shows the accumulated value of KiwiSaver balances between 2025 and age 65 both pre and post Budget 2025 for six different ages in today's dollars.

Table 10 - Indicative effect on self-employed KiwiSaver members by age

		Pre-Budget 2025 policy			Budget 2025 policy				
Age	Self-employment earnings	Self-employed member contribution	Government contribution	Balance at 65	Self-employed member contribution	Government contribution	Balance at 65	Difference	Percentage difference
16	12,000	32,988	16,494	49,481	34,714	8,679	43,393	-6,089	-12%
25	44,000	40,618	20,309	60,927	40,618	10,154	50,772	-10,154	-17%
35	67,000	29,721	14,860	44,581	29,721	7,430	37,151	-7,430	-17%
45	78,000	19,847	9,924	29,771	19,847	4,962	24,809	-4,962	-17%
55	76,000	10,036	5,018	15,054	10,036	2,509	12,545	-2,509	-17%
60	75,000	5,065	2,533	7,598	5,065	1,266	6,331	-1,266	-17%

Source: Analysis of KiwiSaver changes: Budget 2025

This modelling assumes that people generally contribute the minimum amount needed to receive the full government contribution, other than low-income earners who are assumed to contribute a maximum of 3% of their income if this is less than the threshold for receiving the maximum contribution.

As Table 10 shows, regardless of age or earnings the accumulated balance by 65 will be about 17% lower than the pre-change balance.

Consequently, lower income sole traders will be further discouraged to make KiwiSaver contributions, while the new income cap entirely removes any incentive for people earning above $180,000. This dual effect risks pushing both ends of the income spectrum away from engagement with KiwiSaver.

There has already been a negative response from sole traders to these changes. In the June 2025 Hnry Sole Trader Pulse, commissioned two weeks after the 2025 Budget, 24% of sole traders said they would reduce their KiwiSaver contributions because of this policy change, and a further 6% said they would stop contributing to KiwiSaver altogether.

With sole traders already under-contributing to their retirement, the fact that nearly one in three now intend to reduce or stop their contributions entirely is concerning. Additionally, we know that, in the absence of KiwiSaver, many sole traders place their money in more conservative investment vehicles, such as savings accounts or term deposits, which are likely to result in lower returns and limit a sole trader's ability to generate enough wealth for retirement.

Rather than improving the retirement outcomes for this vulnerable group, this policy change appears to be worsening them. If left unaddressed this would risk entrenching a future in which a significant portion of New Zealand's self-employed population faces financial insecurity at retirement and ultimately increasing the burden on the state.

10 Michelle Reyers and Katy Mawson, "Analysis of KiwiSaver changes: Budget 2025", 2025 https://assets.retirement.govt.nz/public/Uploads/Retirement-Income-Policy-Review/2025-RRIP/Analysis-of-KiwiSaver-Changes-Budget-2025.pdf

Drawing lessons from Australia and the United Kingdom

Evidence from Australia

A range of Australian studies highlight consistent challenges faced by self-employed individuals when it comes to saving for retirement. These challenges relate to contribution behaviour, financial constraints, gender and age disparities, and the influence of policy settings.

One theme is that while many self-employed people contribute to retirement savings, the amounts are often low. The Hnry Sole Trader Pulse (2024) found that just under 60% of sole traders in both Australia and New Zealand had made contributions to a retirement fund.

However, Australian sole traders contributed a much higher share of their income on average: 7.6% compared to 2.6% in New Zealand. This difference appears to reflect the influence of Australia's Superannuation Guarantee, which sets a clear benchmark for contributions. Many sole traders seem to mirror this standard, even though they are not required to. In contrast, New Zealand's lower minimum employee contribution rate may be anchoring lower expectations among the self-employed.

Financial constraints are another common barrier. The Behavioural Economics Team of the Australian Government's (BETA) 2020 survey found that 47% of self-employed people who were not contributing to superannuation said they simply did not have enough income to save.[11] This was more common among women. Other reasons included a preference for other investments, not wanting funds locked away, and not getting around to it. These findings suggest that even when people understand the importance of saving, practical and behavioural barriers can get in the way.

The BETA survey also showed that contribution patterns vary widely. Some self-employed people contributed a fixed dollar amount, others contributed a percentage of income, and many contributed only occasionally. Thirty-eight percent of contributors were putting in 9.5% or more, which was the employer contribution rate at the time.[12] This again points to the role of policy benchmarks in shaping behaviour.

Gender and age disparities are also prominent. The Association of Superannuation Funds of Australia Limited's (ASFA) 2018 research showed that self-employed women have significantly lower superannuation balances than both self-employed men and female employees.[13] Older self-employed workers are also more likely to have no superannuation at all. These disparities reflect broader inequalities in income, work patterns and access to financial advice.

11 Behavioural Economics Team of the Australian Government, "Retirement planning, saving and attitudes: survey report", 2020, https://behaviouraleconomics.pmc.gov.au/sites/default/files/projects/retirement-planning-saving-attitudes_0_0.pdf

12 Behavioural Economics Team of the Australian Government, "Retirement planning, saving and attitudes"

13 Association of Superannuation Funds of Australia Limited (ASFA), "Superannuation balances of the self-employed", 2018 https://www.superannuation.asn.au/wp-content/uploads/2023/09/1803-Superannuation_balances_of_the_self-employed.pdf

Another theme is the limited impact of tax concessions. Both BETA and the Treasury's Retirement Income Review found that many self-employed people were unaware of available concessions or did not understand them well.[14, 15] Even among those who did, tax incentives were just one factor in deciding how much to contribute. Decisions were often based on personal calculations, affordability, or advice from accountants.

The Treasury also noted that while some self-employed people hold business assets that can support them in retirement, many do not.[16] ASFA pointed out that a large share of the self-employed are contractors who do not own business assets. This means that relying on business equity as a substitute for superannuation may not be realistic for many.

Finally, the idea of mandating contributions for the self-employed raises complex issues. The Treasury review acknowledged that compulsory contributions could improve retirement outcomes but might also reduce the ability of small business owners to reinvest in their businesses.[17] It also highlighted the difficulty of defining a contribution base for people with irregular or variable income.

Taken together, these studies suggest that improving retirement outcomes for the self-employed will require more than just financial incentives. It will also require better awareness, tailored support, and policy settings that reflect the diversity of self-employment.

Evidence from the UK

As early as 2005, the UK Pensions Commission noted that a disproportionate number of self-employed people were at risk of inadequate retirement income.[18] Despite ongoing research, the problem remains unresolved.

One consistent theme is the decline in pension participation. In 1998, nearly half of self-employed workers contributed to a private pension. By 2018, this had dropped to just 16%.[19] This decline coincided with a long period of stagnant income growth: average earnings for the self-employed in 2018 were still below 1998 levels. Low earnings also affected access to the state pension. In 2016, 19% of self-employed workers were not accruing entitlements due to insufficient income, compared to only 5% of employees. That same year, changes were made to the state pension rules to improve coverage for the self-employed, but the impact of these changes is still being assessed.[20]

The gap between self-employed and employee pension participation has widened. Between 2005–06 and 2014–15, self-employed participation in private pensions fell from 33% to 14%. Over the same period, employee participation rose sharply, driven by automatic enrolment. By 2020–21, 81% of private sector employees were contributing to a pension.[21] In contrast, only 20% of self-employed workers were actively saving for retirement at the start of 2022.[22]

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14 Behavioural Economics Team of the Australian Government, "Retirement planning, saving and attitudes"

15 The Treasury, Australian Government, "Retirement Income Review", 2020 https://treasury.gov.au/sites/default/files/2021-02/p2020-100554-udcomplete-report.pdf

16 The Treasury, Australian Government, "Retirement Income Review"

17 The Treasury, Australian Government, "Retirement Income Review"

18 Pensions Commission, "A new pension settlement for the twenty-first century: The second report of the Pensions Commission", 2005, https://webarchive.nationalarchives.gov.uk/ukgwa/20210716041828mp_/https://ons.ent.sirsidynix.net.uk/client/en_GB/search/asset/439/0

19 Institute for Fiscal Studies, "Retirement saving of the self-employed", 2020 https://ifs.org.uk/sites/default/files/output_url_files/R181-retirement-saving-of-the-self-employed.pdf

20 Institute for Fiscal Studies, "The changing generosity of the UK state pension system to the self-employed", 2020, https://ifs.org.uk/sites/default/files/output_url_files/R182-the-changing-generosity-of-the-UK-state-pension-system-to-the-self-employed-2.pdf

21 Institute for Fiscal Studies, "Understanding pension saving among the self-employed", 2023, https://ifs.org.uk/sites/default/files/2023-02/IFS-R248-Understanding-pension-saving-among-the-self-employed.pdf

22 Nest Insight, "Exploring practical ways to support self-employed people to save for retirement", 2022, https://www.nestinsight.org.uk/wp-content/uploads/2022/11/Exploring-practical-ways-to-support-self-employed-people-to-save-for-retirement.pdf

Affordability is a major barrier. Around 25% of self-employed contributors pay a fixed amount, typically £50 per month. Many do not adjust this over time: 60% maintained the same contribution after nine years.[23] When asked why they were not saving, 38% said they could not afford it, 35% cited low income or being in education, and 26% pointed to high expenses or debt.[24] Nearly three quarters of self-employed workers said they wanted to save for retirement but faced barriers.[25] These included unpredictable income, lack of automatic enrolment, behavioural biases, and low confidence or knowledge.[26]

Despite these challenges, those who do contribute tend to continue doing so, even during financial ups and downs.[27] This suggests that once a habit is formed, it can be sustained. However, forming that habit remains difficult.

Recent behavioural trials have tested ways to improve engagement. Messages that were framed as achievable, trustworthy and immediate led to higher interest, but did not significantly increase contribution amounts.[28] Attitudes also differ between self-employed and employed workers. Nearly half of self-employed people believe property is the safest way to save for retirement. The self-employed tend to hold more property and less in pensions.[29]

Modelling suggests that 55% of self-employed workers may reach retirement without private pension savings.[30] To address this, two policy options have been proposed: requiring self-employed people to make an active choice about contributions during tax filing and introducing automatic enrolment. Additionally, the Institute for Fiscal Studies suggested including automatic annual increases in contributions, to help overcome the tendency to stick with fixed nominal amounts.

Trials led by Nest Insight and the UK Department for Work and Pensions have explored opt-out models tailored to the self-employed.[31] These models, which automatically enrol individuals through digital platforms unless they opt out, showed dramatic increases in participation. Rates rose from 25% under opt-in conditions to over 90% under opt-out models. More than half of participants preferred a hybrid approach: starting with accessible savings that later transition into long-term retirement funds.

Defaults matter. Autosave models reduced barriers for those with irregular income, low financial confidence or a preference for liquidity. Embedding these mechanisms into platforms already used by the self-employed—such as banking apps, accounting software and invoicing tools—was key to success. Nest recommends scaling these models through partnerships with fintech and banking platforms. Over 75% of self-employed people supported or were neutral towards autosave features; only 19% opposed them. Further work is needed to clarify regulatory settings and test these models in real-world conditions.

The evidence points to a clear conclusion: opt-out and hybrid saving models have strong potential to overcome both behavioural and structural barriers. When integrated into existing digital systems, they offer a practical way to support retirement saving among the self-employed.

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23 Institute for Fiscal Studies, "Understanding pension saving among the self-employed"

24 Nest Insight, "Retirement saving and the self-employed: a research summary", 2021 https://www.nestinsight.org.uk/wp-content/uploads/2021/02/Retirement-saving-and-the-self-employed.pdf

25 Nest Insight, "Simplifying retirement savings for self-employed people", 2025 https://www.nestinsight.org.uk/wp-content/uploads/2025/06/Simplifying-retirement-savings-for-self-employed-people.pdf

26 Nest Insight, "Exploring practical ways to support self-employed people to save for retirement"

27 Institute for Fiscal Studies, "Understanding pension saving among the self-employed"

28 Nest Insight, "Exploring practical ways to support self-employed people to save for retirement"

29 Department for Work & Pensions, "Enabling retirement savings for the self-employed: pensions and long-term savings trials", 2019, https://www.gov.uk/government/publications/pensions-and-long-term-savings-trials-for-self-employed-people/enabling-retirement-savings-for-the-self-employed-pensions-and-long-term-savings-trials

30 Institute for Fiscal Studies, "Private pensions for the self-employed: challenges and options for reform", 2024, https://ifs.org.uk/sites/default/files/2024-09/Private-pensions-for-the-self-employed%20%281%29.pdf

31 Nest Insight "Simplifying retirement savings for self-employed people"

Other international policy lessons

When looking internationally for ways to improve retirement saving among self-employed workers, it is important to recognise that New Zealand's KiwiSaver already meets many of the design features recommended by the OECD. See Appendix 1.

KiwiSaver is voluntary, flexible, and accessible, and self-employed workers can join on the same terms as employees. Unlike many other OECD countries, New Zealand also provides an equal state pension (NZ Super) to all eligible residents, regardless of employment status. This is a significant advantage. Across 15 OECD countries, the median self-employed worker receives around 22% less in public pension income than employees, and this gap is not usually offset by higher private savings.[32]

However, there is still room to improve participation and contribution rates among self-employed workers in New Zealand. International examples show a range of innovations that could be adapted to the New Zealand context.

Some countries are experimenting with ways to combine short-term financial needs with long-term saving.[33] A 'sidecar' model allows contributions to be split between a pension and an emergency savings account. Once the emergency fund reaches a set limit, further contributions flow into the pension. This approach helps address income volatility and liquidity concerns.

Mexico has taken a different route by partnering with businesses to make saving easier and more integrated into daily life. Self-employed workers can contribute to their retirement savings through convenience stores or mobile apps. Some programmes allow people to save a percentage of their spending or pass on discounts from purchases directly into their retirement accounts.

In the United States, the Solo 401(k) allows self-employed individuals to borrow from their own retirement savings, with repayment terms of up to five years or longer if the loan is for a first home. While this offers flexibility, it also comes with interest costs and the risk of missing out on investment returns.[34]

Chile introduced automatic enrolment for self-employed workers in 2012, but high opt-out rates (80% in 2017) led to changes. Since 2018, opt-out has been removed and contribution rates are gradually increasing from 10% to 17% over nine years. This shows that automatic enrolment can work but may need to be phased in carefully.

Denmark offers tax incentives for self-employed workers who sell their businesses. They can defer tax on profits by contributing to a pension scheme, allowing for greater compounding before tax is paid. Affluent self-employed workers can also deduct up to 30% of business profits when contributing to retirement savings.

The Netherlands allows business owners to build a fiscal old-age reserve (FOR) by setting aside up to 9.8% of profits each year. Taxes on these profits are deferred until retirement, and the reserve can be converted into a life annuity. However, uptake is low - only 9% of eligible self-employed workers use the scheme.

These examples show that while KiwiSaver provides a strong foundation, there are opportunities to learn from other countries. Innovations such as emergency savings buffers, integrated contribution channels, and flexible withdrawal options could be worthy of further consideration. The challenge is to design solutions that reflect the diversity of self-employment and the realities of variable income, while keeping retirement saving simple, accessible and sustainable.

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32 OECD, "Pensions at a Glance 2019: OECD and G20 Indicators", OECD Publishing, 2019, https://doi.org/10.1787/b6d3dcfc-en
33 OECD, "OECD Pensions Outlook 2020", OECD Publishing, 2020, https://doi.org/10.1787/67ede41b-en
34 "Retirement plans for self-employed people", IRS, https://www.irs.gov/retirement-plans/retirement-plans-for-self-employed-people

Conclusion

This report has shown that self-employed New Zealanders, particularly sole traders, are falling behind in KiwiSaver participation and contributions. The evidence points to a clear gap in engagement, driven by financial strain, lack of automatic enrolment, limited awareness of incentives, and the absence of employer contributions. These factors are compounded by recent changes to KiwiSaver settings announced in Budget 2025, which may further discourage participation among lower-income earners.

While KiwiSaver meets many of the OECD's recommended design features for inclusive retirement savings systems, it is not yet fully suited to the needs of the self-employed. The scheme's voluntary nature, fixed contribution structures, and limited integration with the tools and platforms used by sole traders mean that many are not building sufficient retirement savings. This risks poorer outcomes for a growing segment of the workforce and increased reliance on public support in later life.

The report also highlights how much we still do not know. Without better data, particularly longitudinal and demographic insights, it remains difficult to assess the full retirement readiness of the self-employed. Key questions about asset holdings, total wealth accumulation, and retirement behaviour across different groups remain unanswered.

Table 11 - Questions on the self-employed that require improved data

- How do self-employed KiwiSaver members compare to employees in terms of total wealth accumulation?
- What types of assets do self-employed individuals hold outside of KiwiSaver, and how do these contribute to retirement readiness?
- Are certain demographic groups within the self-employed population—such as women, younger workers, or those in specific industries—more disadvantaged than others?
- Are self-employed individuals on track to achieve a comfortable level of retirement income, and how do their retirement experiences differ from employees?
- Are self-employed workers more or less likely to continue working past age 65, and what does this mean for retirement policy?

To support equitable retirement outcomes, future policy should focus on improving data collection, exploring flexible and hybrid savings models, and designing targeted incentives that reflect the realities of self-employment. International examples show that innovation is possible, from emergency savings buffers and opt-out enrolment to integrated savings channels and tax-based incentives.

In short, the challenge is not just to close the participation gap, but to build a retirement savings system that works for all New Zealanders, regardless of how they earn their income.

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Appendix 1: Evaluation of KiwiSaver against OECD guidelines for the self-employed

Table 12 - Evaluation of KiwiSaver against OECD guidelines[35]

OECD guidelines	Status	Commentary
Avoid discriminatory treatment for the self-employed (such as exclusions based on age, salary, gender, civil status, nationality, hours worked, length of employment)	Met	Self-employed workers do not face any types of the mentioned discrimination regarding access to the KiwiSaver scheme.
Same enrolment rules as for standard employees	Room for improvement	The main difference between self-employed workers and standard employees is regarding automatic enrolment. Standard employees are automatically enrolled into KiwiSaver through their employer. By contrast, self-employed workers typically need to voluntarily opt in, since automatic enrolment is usually facilitated by the employer and doesn't apply to them by default. However, some self-employed individuals can be automatically enrolled — but only if their KiwiSaver contributions are managed through a service such as Hnry. In these cases, the service processes income and KiwiSaver contributions and can trigger automatic enrolment, similar to standard employment arrangements.

35 OECD, "OECD Pensions Outlook 2020"

Facilitating access to retirement savings plans in the workplace	Room for improvement	A barrier for the self-employed is not being automatically enrolled in KiwiSaver - they have to do it manually, and in most cases must choose a provider, fund, and manage their own contributions. Otherwise, they could engage a financial adviser for assistance. There are some exceptions - services like Hnry can enrol them automatically with a default KiwiSaver provider, similar to how salaried employees are enrolled by their employers, making access to retirement savings less manual and more workplace-like for sole traders.
Offering dedicated retirement savings products for self-employed and informal workers	Room for improvement	While self-employed workers have access to KiwiSaver, they may require different incentives to encourage higher contributions. Other countries offer incentives such as tax-deductible contributions, reduced taxes on sale of business if proceeds are contributed to their retirement savings, and increased government contributions. If a self-employed worker were to contribute the same total contributions as an employee (employee + employer contributions), they would contribute more than an employee as their contributions are not subject to employer superannuation contribution tax (ESCT). Self-employed workers do not benefit from having an employer to provide matching contributions.
Allowing workers to keep their plans when changing jobs (portability)	Met	KiwiSaver schemes are tied to the individual, not a job, and therefore do not have any issues with portability.
Permitting flexible contributions	Met	Self-employed workers have the flexibility to make any type of voluntary contribution to their KiwiSaver and can choose to adopt a PAYE system like employees should they wish. Employees must complete documentation to apply for a saving suspension that lasts up to 12 months. Self-employed workers do not have this requirement. Aligning contributions of the self-employed to that of employees (with employer matches) is not possible.
Offering hybrid products mixing different savings motives	Room for improvement	A 'side car' model could allow for more flexibility, however this could come at the cost of reduced effectiveness of retirement savings. Any changes would need to be carefully considered.

Simplifying the contribution process and using nudges.	Room for improvement	Voluntary contributions can be made either through the KiwiSaver provider, or through internet banking using the “pay tax” function, or through payment platforms like Hnry. Default options can help simplify KiwiSaver decisions; however there are still considerations regarding the default contribution rate. From 1 April 2026 the default contribution rate will increase to 3.5% and then to 4% from 1 April 2028. While this change aligns with the Commission’s previous recommendation – encouraging a total contribution of 8% (4% employee + 4% employer, less ESCT) - it may still present challenges for self-employed individuals. Firstly, it’s difficult to apply a default contribution rate to self-employed workers due to the diversity of their business models and financial circumstances. Secondly, while the new 4% default rate may serve as a helpful anchor, it could still lead self-employed individuals to contribute less than the recommended total of 8%, especially in absence of an employer match.

Appendix 2: Who we are

Te Ara Ahunga Ora Retirement Commission

Te Ara Ahunga Ora Retirement Commission is a Crown Entity aiming to help improve the financial futures of New Zealanders for a better retirement for all. We empower people not just with information and tools, but with the confidence to make long-term financial decisions that support their wellbeing.

Our work covers three core areas:

Retirement income: We raise public understanding and advise Government on policies that will enhance retirement outcomes for New Zealanders. Additionally, we advocate for a system that serves the diversity of New Zealanders by conducting a three-yearly review for Government, uncovering emerging issues and calling for action, promoting debate on retirement challenges, and driving shared evidence to measure the impact of policy changes.

Retirement villages: We monitor the effects of the retirement villages legal framework and oversee the framework by flagging issues and reporting on sector trends, supporting dispute resolution and tackling issues through sector collaboration.

Financial wellbeing: We promote the importance of long-term thinking by leading the National Strategy for Financial Capability, supplying trusted, independent information through Sorted, and equipping stakeholders with insights that add value.

Hnry

Hnry is the world's first all-in-one digital accounting service for contractors, freelancers, sole traders and the self-employed, allowing them to focus on getting the job done and never having to think about tax and compliance again. As Australasia's fastest-growing accountancy, Hnry takes care of invoicing, expenses, payments, taxes and filings in an affordable, pay-as-you-go model, as well as providing expert, on-demand support.

The Hnry service includes a unique account for every user which immediately calculates, deducts, and pays all of their taxes as they earn, online tools delivered through the Hnry app such as invoicing and reporting, a virtual debit card, to allow them to efficiently make and claim business expenses, along with being their accountant and lodging their tax returns whenever they're due.

Founded in Wellington in 2017, Hnry has continued to win awards and accolades, including the 2024 INFINZ award for Innovation in the Financial Services, Fastest Growing Technology Business in the Wellington and Lower North Island region in the Deloitte Fast 50 awards and WeMoney Business Awards for 'Expense Management Platform of the Year (Sole Trader)' and 'Excellent Rates & Fees - Expense & Tax Management'.

Appendix 3: IDI Disclaimer

The results in this report are not official statistics. They have been created for research purposes from the IDI, managed by Stats NZ.

The results of the TAWA model presented in this report are the work of the Treasury, not Stats NZ.

Access to the anonymised data used in this study was provided by Stats NZ under the security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, household, business, or organisation, and the results in this report have been confidentialised to protect these groups from identification and to keep their data safe. Careful consideration has been given to the privacy, security, and confidentiality issues associated with using administrative and survey data in the IDI. Further detail can be found in the privacy impact assessment for the IDI available from www.stats.govt.nz

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