



FIRST CAPITAL
FINANCIAL SERVICES
A Gallagher Company

STATE PENSION

NZ VS UK

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INTRODUCTION

Entitlements to a NZ state pension, called NZ Superannuation, is one area that can cause confusion. This eBook focuses on UK ex-pats arriving in NZ.

When reaching retirement age, you will be able to choose between a UK State Pension and NZ Superannuation. There are a few advantages and disadvantages to either option. Make sure you have all the information before making your decision.

All UK State Pension information within this eBook is in relation to the new State Pension.

This eBook incorporates legislation and publicly available information as at January 2026.





UK STATE PENSION

The UK State Pension is available after the age 66 for both women and for men

To receive any amount of the State Pension you will need a minimum of ten qualifying years of contributions or credits on your National Insurance record. To receive the full State Pension, you will need at least 35 qualifying years. The maximum payment is currently £230.25 per week (2025/2026 year) or £11,973.00 per year (gross).

You may be paid a higher amount if you have over a certain amount of Additional State Pension or if you defer taking your State Pension.

It is possible to buy extra years to top up your National Insurance contributions so that you qualify for the maximum payment. From April 2026, UK ex-pats will only be able to buy the more expensive, class 3 Voluntary National Insurance Contributions (VNICs), and only if they have been employed and lived in the UK for at least 10 years prior to leaving.



For UK ex-pats moving to NZ, there are several considerations. A UK State Pension can be paid into a bank account in the Country you are living in, such as NZ, and you can choose to be paid every 4 or 13 weeks. However, once the Pension is in payment, the amount will not increase, i.e., the payment will stay at the same rate as it was when you first became entitled to it. This is in part due to the Social Security Agreement between NZ and the UK.

If you are paid a UK State Pension and live in NZ, then you will need to declare the income to the New Zealand Inland Revenue by completing an annual tax return. You will be able to apply to the UK tax department for a Nil Rate Code so that UK tax is not deducted at source.



NZ STATE PENSION

Many UK ex-pats elect to “swap” their UK State Pension for a NZ Superannuation payment.

There are many advantages to this, including payments made fortnightly, participation in any announced increases, payments made net of tax, reducing the necessity for an annual tax return, and elimination of currency movements.

The NZ Superannuation payment is available from age 65; it is not dependent on other assets, and you can elect to keep working even when receiving the pension.

To qualify for NZ Superannuation, you must be:

- aged 65 for both men and women,
- a NZ citizen or a permanent resident or hold a residence class visa,
- normally live in NZ at the time of application and lived in NZ for 20 years with at least 5 of those years since the age of 50 (from 1 July 2024).

It is this last point that is easily confused.



From 1 July 2024, the required number of qualifying years for NZ Superannuation will increase from 10 to 20. A phased lifting of the qualifying period applies if born between 1959 and 1977.

The good news is that under the reciprocal agreement between NZ and the UK, time spent in the UK likely counts as time spent in NZ.

In other words, UK-expats are treated the same as NZ Citizens and can easily satisfy the time requirement by living in either Country.

Example: John was born in 1960 and lived his whole life in Devon, UK. At age 64, John moved to NZ permanently, and under the social security agreement, John can count the total number of years living in the UK as qualifying years. John meets the requirements for a NZ Superannuation payment starting at age 65.



When swapping a UK State Pension for a NZ Superannuation payment, the NZ Government will collect your UK State Pension and pay you the full NZ Superannuation amount.

From a government perspective, this helps to offset the financial costs while still providing you with your full entitlements.

Swapping is not compulsory and may not be suitable when your overseas pension amount is more than the NZ pension amount. This might occur due to a high exchange rate, or where you have additional pension contributions made during your lifetime, or if you have delayed receiving payment, which results in a higher UK pension amount.





RETURNING TO THE UK

The reciprocal agreement also covers the situation of living in NZ and then returning to the UK.

Under the agreement, time spent in NZ counts as “years” towards National Insurance Contributions, so rather than financially topping up, check your entitlements with the UK International Pension Centre, the department that provides advice or information for ex-pats that live abroad.





STATE PENSION, PRIVATE PENSION

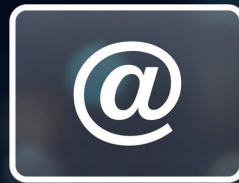
UK Private Pension entitlements are ignored for the purpose of state benefits such as NZ Superannuation.

As discussed above, the NZ payment is not dependent on other assets, and you can keep working if you choose.

However, if you have entitlements to pensions from other countries, then you will need to discuss your specific situation with Work & Income.

For assistance in NZ, contact Work and Income Senior Services International.





THIS AREA OF FINANCIAL ADVICE CAN
BE QUITE TECHNICAL, ONE QUESTION CAN
LEAD TO ANOTHER AND WHAT IS RIGHT FOR
ONE PERSON, MAY NOT BE RIGHT FOR ANOTHER.

**PLEASE SEEK ADVICE FROM A SUITABLE ADVISER BEFORE MAKING
ANY FINANCIAL DECISIONS.**



ABOUT THE AUTHOR



My name is Dai Eveleigh (FSP108949), and I provide financial advice on behalf of First Capital Financial Services Limited (FAP License holder FSP83083). I have over 20 years experience in financial services. Since joining First Capital in 2013, I've focused on financial planning, investment advice, and UK pension transfers.

My qualifications include:

- Certified Financial Planner (CFP^{cm})
- Diploma in Business Studies – Personal Planning (Massey University).
- Financial Planning Certificate (UK)

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REFERENCES

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The New Zealand Superannuation and Retirement Income (Fair Residency) Amendment Bill has increased the qualifying years from 10 to 20, with 5 of these years since the age of 50. A phased lifting of the qualifying period applies if born between 1959 and 1977.
2. Work and Income manual:
<https://www.workandincome.govt.nz/map/to-or-from-overseas/reciprocal-agreements/reciprocal-united-kingdom/introduction.html>
3. The UK department that manages state retirement benefits:
<https://www.gov.uk/international-pension-centre>