

Te whai hua - kia ora!

[sortedinschools.org.nz](http://sortedinschools.org.nz)

**sorted**  
*in Schools*



**Sort it out!**

Sorting your financial future

**It's work time**

Name: \_\_\_\_\_

# One small step at a time

Welcome to the 'It's work time' learning guide!

Nau mai haere mai

Fakaalofa lahi atu, Noa'ia, Mauri, Ni Sa Bula Vinaka,  
Tālofa, Kia Ora, Mālō e lelei, Mālō nī, Kia Orāna

This booklet is a guide that will direct you to the information you need to make informed decisions about money. This is your opportunity to create a **Money Action Plan** – one step at a time.

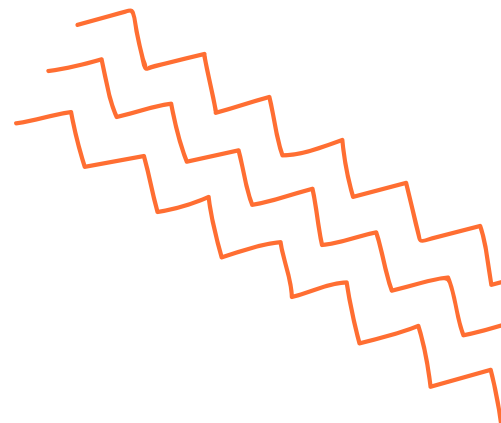
The following activities throughout this booklet will help you develop the skills and knowledge to create your own budget.

Activity	Estimated time	Tick when completed
1. Video: Understanding your payslip	2 mins	<input type="checkbox"/>
2. Unpacking the terms on your payslip	5 mins	<input type="checkbox"/>
3. What is KiwiSaver?	5 mins	<input type="checkbox"/>
4. Video: Future Focus	2 min	<input type="checkbox"/>
5. Video: Using KiwiSaver for your first home	3 mins	<input type="checkbox"/>
6. What KiwiSaver fund should I put my money in?	10 mins	<input type="checkbox"/>
7. KiwiSaver fund finder	10 mins	<input type="checkbox"/>
8. KiwiSaver calculator	10 mins	<input type="checkbox"/>
9. What type of gig could I do?	5 mins	<input type="checkbox"/>
10. Employment contracts	10 mins	<input type="checkbox"/>
11. Extension activity: Tui's invoice Writing an invoice	10 mins	<input type="checkbox"/>
12. Questions for reflection	2 mins	<input type="checkbox"/>

## Learning outcomes from Financial capability progressions

### By the end of this booklet, I will be able to:

- Identify different investment options e.g. KiwiSaver, property, bonds, term deposits.
- Explain why these investment options are appropriate for different circumstances.
- Calculate and manage my finances using payslips.
- Describe what income may be available to me at different stages of life.



# Starter activity

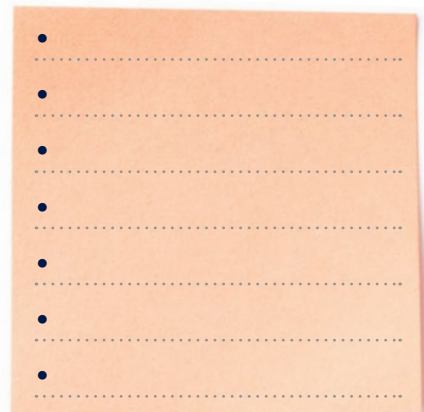
Complete these activities with someone you trust – a parent, kaitiaki, guardian or whānau member.

Their wisdom, support and knowledge about money may offer useful insights. The topics can be done in any order.

## Talk: Kōrerorero

### Sorted or not Sorted?

Having conversations around money can be tricky. However, it's important, especially as you get ready to leave secondary school and become more independent. Choose some of these topics and using the 5Ws (why, what, who, when, where and how) make a list of questions that you would like to find the answers to.



## Activity: Ngohe

Finding a part-time job


Finding a full-time job

Volunteering

KiwiSaver

Payslips

Side hustles



## Discuss your questions with your parents/whānau and decide together:

1. What are your strengths and weaknesses around money?
2. Which money ideas do you feel confident to work through?
3. Which ones do you need support with?

These can be reviewed every six months or when you have a significant financial change in your life. For example, reassess your situation when you stop studying and start working, sell a vehicle or go overseas.

## List the three main strengths and weaknesses you identified.

The image shows a rectangular orange sticky note with a vertical line down the center. On the left side, there is a large purple checkmark. On the right side, there is a large purple 'X'. Both sides have three numbered lines (1., 2., 3.) for writing.

Strengths (✓)	Weaknesses (X)
1.	1.
2.	2.
3.	3.

Use the information on your sticky notes to update your **Money action plan** which can be found at the end of this booklet.



## Understanding your payslip

Having a job gives you income, but it is not as simple as just being paid for the hours you work. You also need to know about deductions, which are the amounts of money that are taken out of your pay before you get it.

A payslip is a statement from your employer that tells you what your gross pay is (how much you earn), and what your net pay will be (how much you get to keep). There is always a difference between what you have earned and what goes into your bank account. Money that is taken out of your gross pay is called a deduction. Examples include KiwiSaver, student loan repayments and tax. It is important that you check your payslip each payday to make sure that your employer is paying you the amount you agreed to in your contract.



**View the video**  
[Understanding your payslip](#)



### Tip: Ask for your payslip

“Employers don’t have to provide you with a payslip (unless it’s in the employment contract), but these are a useful tool (whether on paper or electronic) to make sure that you and your employer have the same understanding of how the pay is made up.”

*Employment NZ*

## Let's unpack what is on a payslip

FIGURE ELECTRICAL LTD					
Roimata Paerata 16 Main Road Greytown		IRD Number 027-598-412 Tax Code MSL		Annual leave available 7.5 days Sick leave available 3.0 days	
Period End 01/06/2021					
Annual Salary \$37,970					
Description	Quantity	Units	Rate	Total	This Pay
Ordinary time	41.00	Hours	\$18.25	\$748.25	
Overtime	2.50	Hours	\$22.81	\$57.03	
<b>Gross Pay</b>					<b>\$805.28</b>
Income Tax (PAYE)					-\$122.08
ACC Levy					-\$11.19
Student Loan Repayment					\$0.00
Kiwisaver 3%					\$0.00
<b>Net Pay</b>					<b>\$672.01</b>
Kiwisaver Employer Contribution					\$0.00

### How many of these terms do you know?

Explain what they mean. Tick off the ones you know. Get a parent or family member to quiz you on their meaning. If you don't know the term, refer to the Sort it out!: Key money terms resource

<b>IRD number</b> <input type="checkbox"/>	<b>Pay period</b> <input type="checkbox"/>	<b>Gross pay</b> <input type="checkbox"/>	<b>Net pay</b> <input type="checkbox"/>
<b>Hourly/daily rate</b> <input type="checkbox"/>	<b>Hours worked</b> <input type="checkbox"/>	<b>Overtime</b> <input type="checkbox"/>	<b>Holiday pay</b> <input type="checkbox"/>
<b>Number of days to use</b> <input type="checkbox"/>	<b>Student loan repayment</b> <input type="checkbox"/>	<b>Kiwisaver</b> <input type="checkbox"/>	<b>Tax deductions</b> <input type="checkbox"/>

## Talk: Kōrerorero



### What is KiwiSaver?

KiwiSaver is a voluntary government investment scheme that helps you build up money for two things: your first home and retirement. You decide if you are going to contribute automatically 3%, 4%, 6%, 8% or 10% of your pay. Your employer will also contribute at least 3% of your pay to help your money grow. (You can always add in as much as you want whenever you like.)

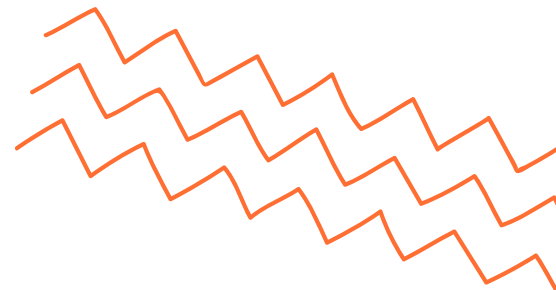
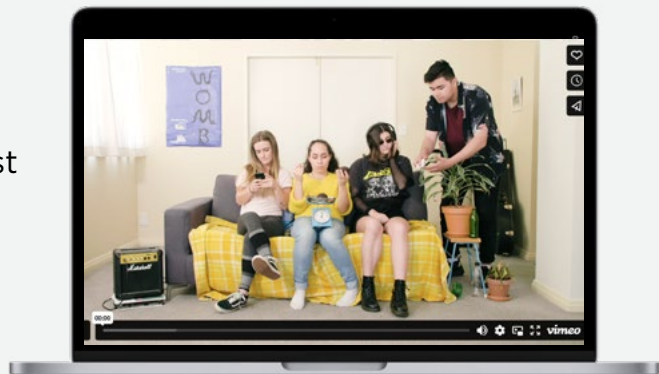
### The government contribution is like free money

After the age of 18, for every \$1 you contribute to KiwiSaver, the government matches it with 50c, up to \$521 per year. This is paid into KiwiSaver accounts annually. So, the goal is to get at least \$1,043 into your account by mid-June each year in order to get the government contribution. That's roughly \$20 a week.



### Watch the video on Future Focus

Which flatmates had the best approach to planning their future? Who had the worst approach and why?





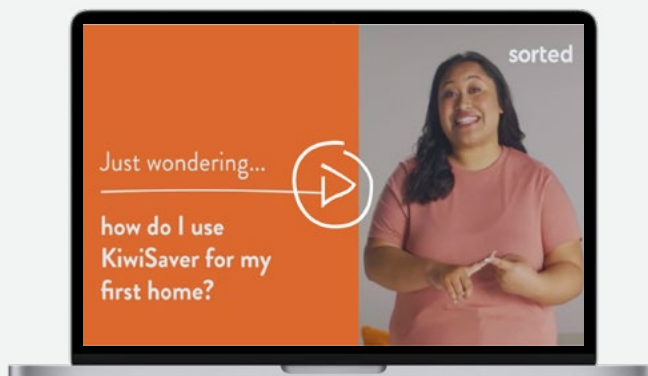
## Using KiwiSaver for your first home

Typically, you'll need 20% of the house price for your first home deposit – which is a big ask – but happily, you can use your KiwiSaver money for all or part of it if you're eligible. And you can get help from a government grant as well, up to \$20,000 for a couple building a new home. If you are purchasing with your partner or friends, each of you can withdraw from your KiwiSaver. You'll have different balances, so you can withdraw as much or as little as you need. [A KiwiSaver withdrawal](#) and [a KiwiSaver First Home Grant](#) are two different things, and you can be eligible for both. You apply to withdraw directly with your KiwiSaver provider, and you apply for the grant with Kāinga Ora, the government agency. Find out how you can be eligible for both.



### Watch the video on [How do I use KiwiSaver for my first home?](#)

Which flatmates had the best approach to planning their future? Who had the worst approach and why?





## Activity: Ngohe

### What KiwiSaver fund should I put my money in?

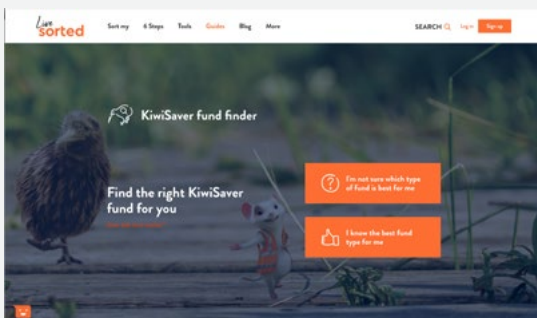
When you sign up to KiwiSaver, you are automatically put in a default fund, until you actively choose the fund you want to be in. When you turn 18 years old you can make many choices yourself about how you are going to invest your money. You can choose which company manages your money and whether you want your money invested in high- or low-risk investments or a mixture of both.



### Action

Make a decision together with your parents/whānau about what KiwiSaver fund you should have your money in. Remember that KiwiSaver is an investment scheme, so you are putting your money at risk in order to be paid in return. Over time, your money has the potential to grow significantly more by doing so.

There are five types of KiwiSaver funds, with five levels of risk. Use [KiwiSaver fund finder](#) to find the right type of fund for you and compare KiwiSaver funds of your type in three important ways.



### Follow the instructions and make choices about the best fund for you.

The options are:

- Defensive
- Conservative
- Balanced
- Growth
- Aggressive

Look at how the funds work and take note of the fees, the service ratings and the returns.

## Watch your KiwiSaver funds grow

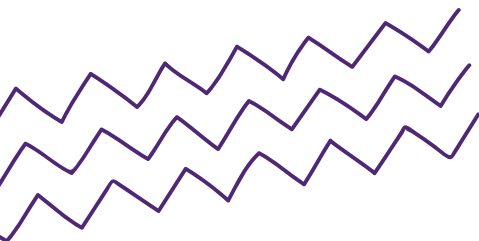
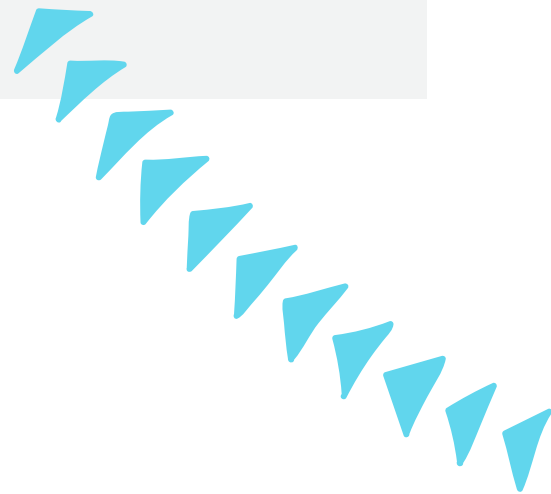
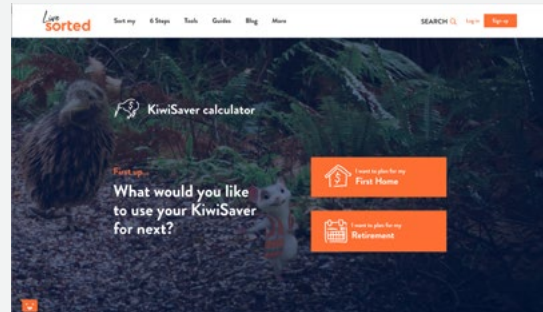


### Action

Make a decision together about how to best manage your KiwiSaver once you turn 18.

With your parents/whānau open the **KiwiSaver calculator**. They can enter their details so that you can see how the tool works. You can change/increase their contributions to see what they will have for their retirement.

If you are working, you can enter your own details to see how much you could have as a part payment for your first home. Increase your contributions to see the difference it will make.





## Activity: Ngohe

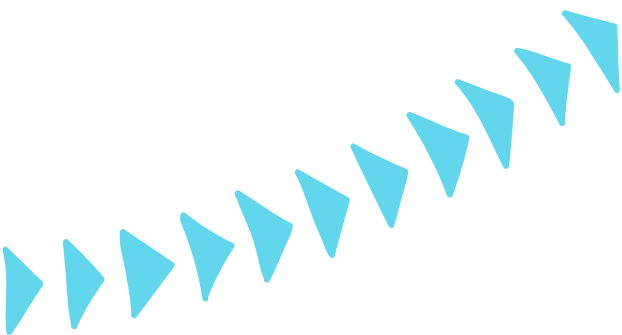
### The gig economy/side hustles

You may be already part of the gig economy by selling your services to bring in an income. The name “gig” originates from the fees musicians are paid for performances. The term has broadened to include a range of work both online as well as physical work. You might do it full-time, or as a side hustle to make extra money on top of your permanent employment.

### What is a gig worker?

A gig worker works in the gig economy. They have a formal agreement with a company to provide on-demand services to their clients. They are independent contractors, online platform workers, and part-time and on-call workers who do temporary or freelance work. The services they may offer can range from video making and creating websites, to renting out vehicles and house sitting. For tax purposes, gig workers are self-employed and considered sole traders. An accountant may recommend that you need to keep money aside each pay to cover your tax, which is payable to Inland Revenue, and your Accident Compensation Corporation levy. There are online services available that can calculate your deductions for you as you don't want any surprise tax bills.

You may have a skill that is valued by someone who does not have it. Two examples are building websites and preparing spreadsheets which you may have learned how to do as part of your schoolwork. There could be an opportunity for you to do gig work.



## What type of gig could I do? The list is limitless

Explore and discuss these possibilities that you could gig in. Include your own ideas or go to [careers.govt.nz](https://careers.govt.nz) and explore some more jobs.



**Identify the skills that could enable you to join the gig economy.**

.....

.....

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.....

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**Make a decision together with your parents/whānau:**

If you were to become a gig worker, what would be the best gig opportunities for you? Discuss how you would balance this with study.

## Employment agreements

There will be many contracts you will have to sign in the next few years like rental agreements, user agreements, loan contracts, medical consents for vaccinations, or you may sign a bond when you move into rental accommodation.

One contract that you will sign is an employment agreement – they outline job requirements and expectations and state your pay rate and conditions. An employment agreement is a legal requirement in Aotearoa New Zealand. Employers must provide each employee with a written employment agreement or they can be fined up to \$1000 per employee. Employment agreements are made between the employer and the employee. If you are part of a union you may have a collective agreement that has been negotiated on your behalf. As an employee, you have rights and responsibilities and so does your employer. Before signing your employment agreement, read your copy carefully. You can negotiate any conditions at this stage if you choose to.



An employment agreement can include:

- The employer's written letter of offer
- The employer's written employment agreement
- Written variations to the employment agreement
- Manuals, how-to guides
- Custom and practice
- Workplace policies and procedures, rules and regulations
- Verbal agreements between employer and employee

**EMPLOYMENT AGREEMENT**

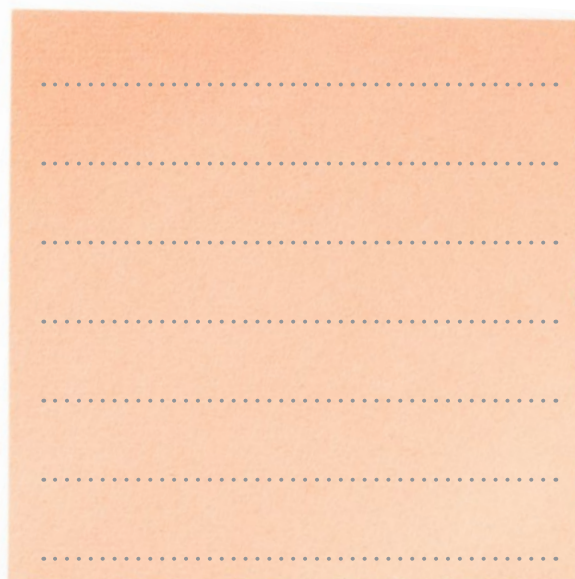
This information is provided only as a general guide, and should not be substituted for legal advice or for the reading of the relevant legislation. HRG does not accept any responsibility for errors of fact, omission, interpretation or opinion that may be present, nor for the consequences of any decisions based on this information.

**Discuss the things that make up an employment agreement and why each one is important.**

### What does your employment agreement need to include?

Check out what an **employment agreement** must include and be aware of your rights as an employee and your responsibilities to your employer.

Note down the key points about employment agreements and why it is important to understand what you are signing.







## Activity: Ngohe

### Extension activity Writing an invoice.

In order to be paid as a gig worker, you need to present an invoice to your client for the goods or services that you provided. This might be a one-off service or a gig that happens a number of times.

Tui is working as a children's party entertainer while she is at university. View this invoice and discuss its components. Note that you do not pay GST if you think that you will earn less than \$60,000 per year.

### INVOICE

**To:**

Party Kidz  
PO Box 2304  
Auckland City  
partykidz@gmail.com

**Invoice Date**

1 June 2023

**Invoice Number**

INV-0623078

**From:**

Tui Tamaki  
334 Dominion Rd  
Mt Roskill  
Auckland  
[Tuit@gmail.com](mailto:Tuit@gmail.com)  
Mob 555 33221

Date	Party Code	Description	Hours worked	Cost per hour	Amount in NZD (GST excl)
May 6 2023	PK 13	Rainbow Fairy	2 hours	50.00	\$100.00
	PK 45	Pirate	2 hours	50.00	\$100.00
May 7 2023	PK 120	Princess Jasmine	2 hours	50.00	\$100.00
<i>Subtotal (excl GST)</i>					\$300.00
<i>Total</i>					\$300.00

**Payment Information**

Due date: 20 June 2023

Bank account details: 030-123-555666777

Bank: Westpac Mt Roskill

## Now it's your turn

If you are a gig worker, create an invoice that you can present to your employer. If you are not a gig worker, select a relevant gig option and write an invoice. You can do this either electronically or on the template provided.

<b>To:</b>	<b>From:</b>
.....	.....
Client's name	Your name
.....	.....
Business name	Business name
.....	.....
Address	Address
.....	.....
Email address	Email address
.....	.....
	Phone number
	.....
<b>Invoice date</b>	.....
.....	GST number if applicable
<b>Invoice number</b>	
.....	
A detailed description of the goods or services provided / date / hours / rate	

Date	Description	Hours	Rate	Amount \$ (excl GST)

**Subtotal**  
**(excl GST)** \_\_\_\_\_

**Total** \_\_\_\_\_

**Payment information**

Payment due .....

Your bank account .....

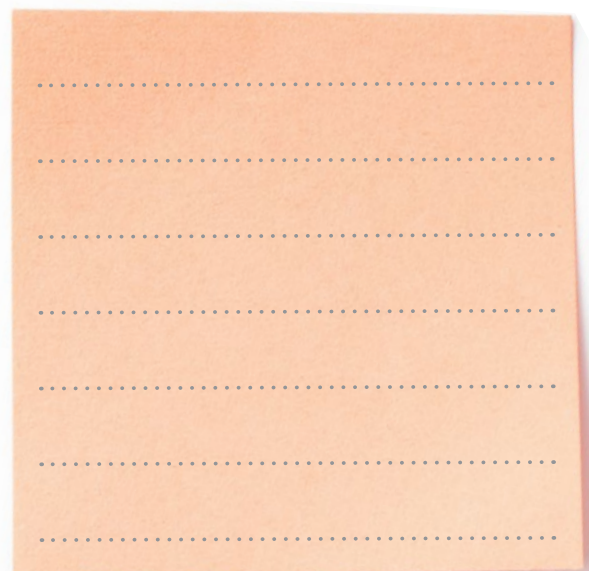
Account name.....

## Topic summary

- ✓ Consider paid employment or becoming a gig-worker.
- ✓ Check your payslip each payday.
- ✓ Start a KiwiSaver investment account, and make sure you have chosen the best fund for your needs.
- ✓ Remember that your KiwiSaver is a long-term investment. You chose the level of risk and get paid in return, which potentially grows it much more.

## Questions for reflection

- What is the most important thing that you have learned about entering the workforce?
- When would you consider doing gig work over a permanent role?



# What's next?

**Congratulations, you now have some useful information about being in the workforce.**

Add your next steps to your Money Action Plan that can be found at the end of the booklet.

## Useful Sites:



**Empowering the self employed | Sorted blog**

Six steps to getting ahead financially.

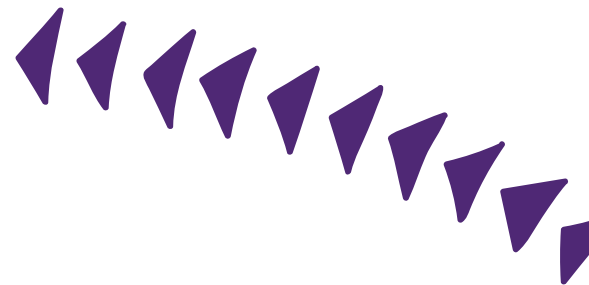


**Five things to do every time you start a new job | Sorted blog**

Taking the opportunity to look at your money decisions and check if you're staying on track with your goals.



**A career that'll pay for a life you'll love | Sorted blog**





## Mahere tauhohe Money Action Plan

If you want, use this action plan template to summarise all your actions from the programme.

### Tē tōia, tē haumatia

Nothing can be achieved without a plan, workforce and way of doing things

#### Sorted or not sorted

#### Break it down


#### Get it done by


#### Done!


#### Topic 1 Title

#### Break it down


#### Get it done by


#### Done!


#### Topic 2 Title

#### Break it down


#### Get it done by


#### Done!


#### Topic 3 Title

#### Break it down


#### Get it done by


#### Done!


#### Topic 4 Title

#### Break it down


#### Get it done by


#### Done!


#### Topic 5 Title

#### Break it down


#### Get it done by


#### Done!