

## Upfront commission

Upfront commission (UFC) is paid on a sliding scale from \$40-\$240. Payments are calculated based data from the IRD & Registry regarding both:

- the balance transferred to Generate from the previous provider and;
- their salary, based on the amount contributed by the member, which we use to forecast an annual salary.

**Payments are calculated based on the higher of the two variables.**

An initial payment of \$40 is made when the member (aged 18 and over) first enrolls, any subsequent payments rely on the data we receive. This can take up to 90 days.

**Note:** UFC payments for children (members aged 18 and under) will not occur until:

- Their transfer is received, or;
- Their balance reaches \$1,000 within the first year.

<b>Pricing Schedule Upfront Commission – Member PAYE Income and KiwiSaver Transfer Balance</b>		
<i>Member PAYE Income in their first year</i>	<i>Minimum KiwiSaver Transfer Balance**</i>	<i>Upfront Commission</i>
>\$100,000	\$24,500	\$240
\$90,001-\$100,000	\$22,000	\$200
\$80,001-\$90,000	\$19,500	\$160
\$70,001-\$80,000	\$17,000	\$120
\$60,001-\$70,000	\$14,500	\$80
\$50,001-\$60,000	\$12,000	\$80

\$40,001-\$50,000	-	\$40
\$30,001-\$40,000	-	\$40
\$20,001-\$30,000	-	\$40
\$10,001-\$20,000	-	\$40
\$0-\$10,000	-	\$40

## Payments based on transfers

Payments based on transfers are straightforward.

1. Member joins & transfer requested - initial payment \$40 made.
2. Transfer received (this can take up to 35 working days)
3. Commission calculated and paid (up to an additional \$200.)

**Note:** around 35% of all UFC payments are based on transfers.

**Example:** Mary joins Generate. She is not currently contributing to KiwiSaver but has a balance to transfer.

1. Her adviser receives a \$40 payment.
2. 10 working days later, her balance of \$15,546 is received from her previous provider. This balance transfer would qualify for a total payment of \$80. (The balance is in the range between \$14,500 - \$17,000).
3. In the next commission run, her adviser would receive another payment of \$80.

**The adviser has been paid \$40 + \$40 = \$80.**

## Payments made based on contributions

Our system also recognizes member contributions.

We receive data and calculate an expected annual salary based on the average monthly contribution.

Payments are made based on the table in the example above.

We allow 12 months to calculate a member's salary and multiple payments can be made.

**Note:** around 65% of all UFC payments are based on contributions.

**Example:** Steve joins Generate. He is new to KiwiSaver and starts contributing through his payroll. He has no balance to transfer.

1. His adviser receives a \$40 payment.
2. 90 days later, we receive 3 months of employee contributions totaling \$648.50. We forecast that he will contribute \$2594 p.a. ( $\$648.50 \times 4$ .) Assuming a 3% contribution, this would suggest a salary of \$86,460. ( $\$2594 / 0.03$ ) This salary would qualify for a total payment of \$160. (The salary is in the range between \$80,001-\$90,000.)
3. In the next commission run, her adviser would receive another payment of \$120.

**The adviser has been paid  $\$40 + \$120 = \$160$ .**