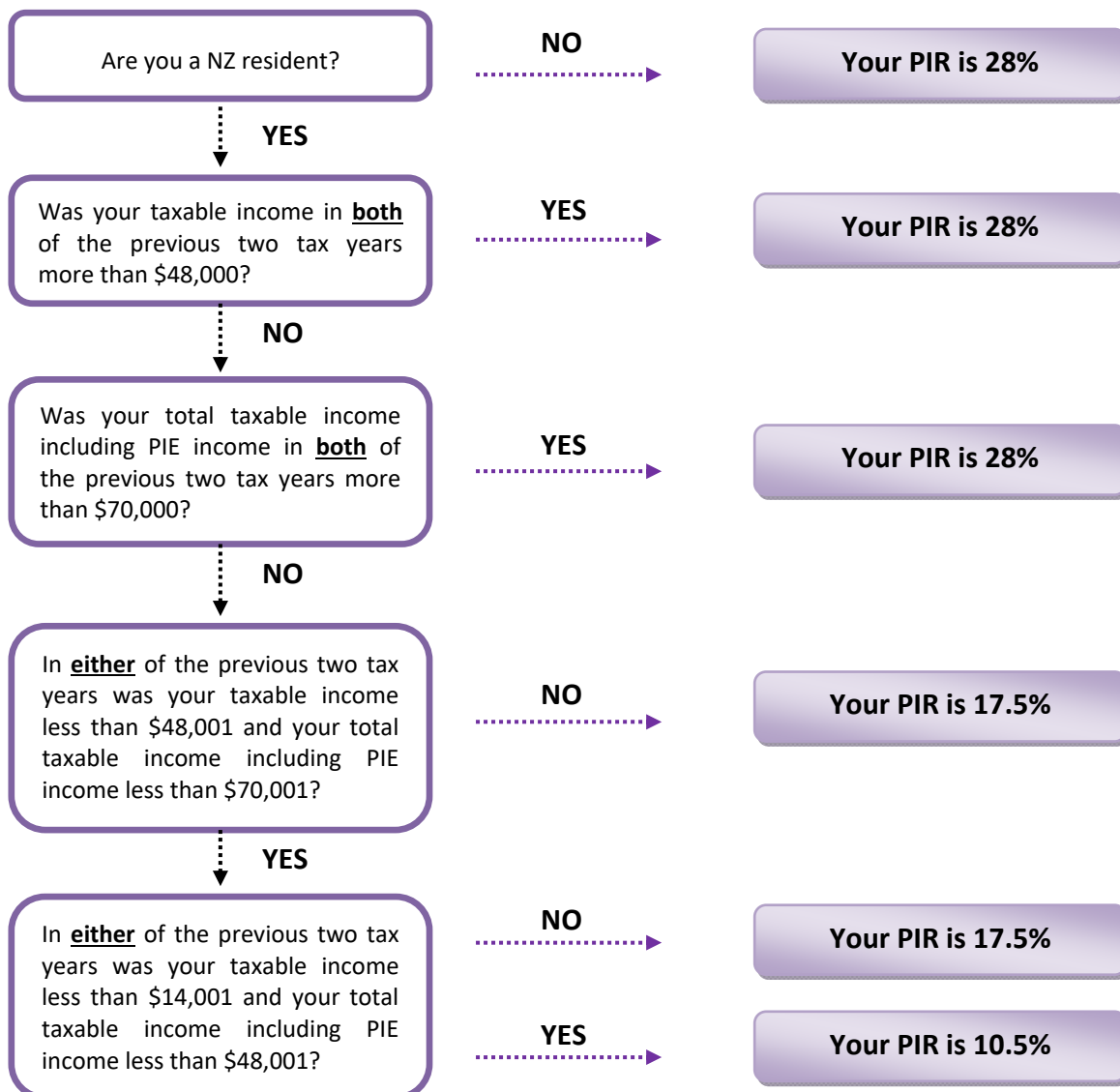


## Calculating Your PIR

Your prescribed investor rate (PIR) is the rate at which your investment income is taxed. Tax on your investment income in the Fund is calculated and paid by the Pension Board to the Inland Revenue, so you do not need to report your Fund earnings on your personal tax return. There are three PIR rates: 10.5%, 17.5% and 28%.

For calculating your 2018 / 2019 PIR (i.e. for the tax year ending 31 March 2019), the two previous tax years are the years ending 31 March 2017 and 31 March 2018.



### NOTES:

- All investors only qualify for one PIR rate. You need to advise us of your correct PIR otherwise the default rate of 28% will apply.
- If you are eligible for a lower PIR but notify a higher PIR to the Trustees in error, the Inland Revenue will not refund any excess tax paid.
- If the PIR you notify to the Trustees is lower than the correct rate that applies to you then Inland Revenue may contact you and require you to file a tax return and pay any consequential tax shortfall at your marginal rate (plus any penalties and interest).
- From 1 April 2012, in calculating a member's PIR, taxable income includes non New Zealand sourced income even if the member was not resident in New Zealand when it was earned. New residents will be able to elect out of this treatment in some cases (see [www.ird.govt.nz/toii/pir/workout/](http://www.ird.govt.nz/toii/pir/workout/) for more information).