

PIE = portfolio investment entity
PIR = prescribed investor rate

SuperLife Limited’s superannuation and KiwiSaver schemes (“SuperLife”) are “PIEs”. Therefore, we deduct tax at your PIR rate from the investment income that is taxable and which is added to your savings accounts. We pay the tax to the IRD. The PIR tax regime is a concessionary tax regime.

Currently, PIRs can be 10.5%, 17.5% or 28%. 28% is the maximum tax rate that can apply. For people earning above \$48,000, it is generally 28%. However, if you earned less than \$48,000 a year, in any one of the last two financial years, it may be 10.5% or 17.5%. Each year you should check to see that your PIR is correct.

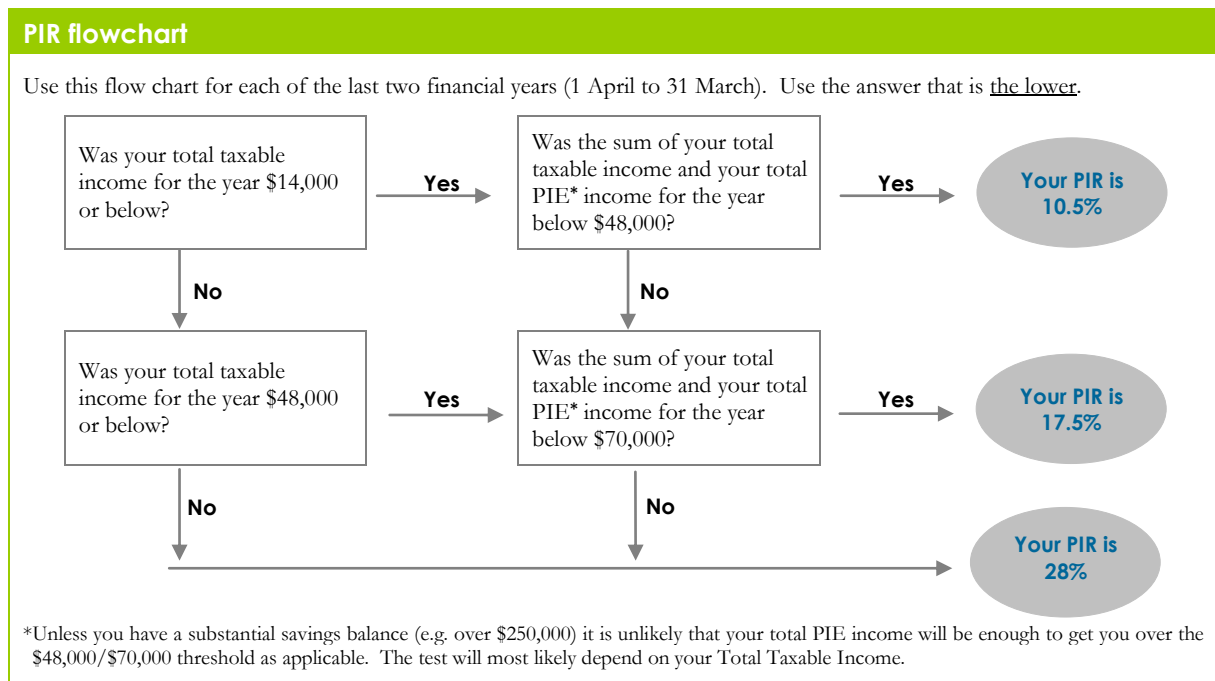
General guide

As a general guide:

Your taxable income	Most likely PIR
0 to \$14,000	10.5%
\$14,001 to \$48,000	17.5%
\$48,001 plus	28%

- Anyone that earned **less than \$14,000** in any one of the last two financial years will be on 10.5%;
- Anyone that did not earn less than \$14,000 in at least one of the last two years, but earned **less than \$48,000** in any one of the last two years will be on 17.5%;
- Anyone that earned **more than \$48,000** in each of the last two years will be on 28%;
- If you are an **overseas tax resident**, your PIR is 28%. The 10.5% and 17.5% rates are not available.
- **Young children** will normally be on 10.5% because they are likely to have earned no taxable income, or earned income below \$14,000 a year;

It is not as simple as the general guide suggests as there is a second test that includes your investment income from your investments that are PIEs. Use the flow chart to work out your PIR. The balance of this guide gives you information on what the terms mean and the answers to common questions.



For more details on how to work it out, go to the more detailed guide on page 3 for help.

Where do I find out what my current PIR is?

We will tell you on each of your statements what PIR rate we currently hold for you. You can also see it on the Internet if you are registered for Internet access, or you can phone SuperLife at any time.

When should I review my PIR?

Each year (March is a good time) you should review your PIR and tell us if it has changed.

Subject to what the law requires, we will continue to use your last advised PIR, until you tell us to use a new one. We will remind you each year to check that your PIR is correct.

What if my PIR is wrong?

If you tell us that your PIR is 17.5% when it should have been 28%, or tell us 10.5% when it should have been 17.5% or 28%, we will deduct tax at the lower rate. If it is then discovered that your PIR should be higher, the Inland Revenue Department could ask you later to pay the extra tax (plus penalties). You should complete the PIR advice form correctly and review it each year to keep it up-to-date.

Where do I get a PIR advice form?

You can find it on the **SuperLife** website under "forms", or phone **0800 27 87 37** and ask **SuperLife** to send you one.

How do I change my PIR?

To change your PIR:

- Email **info@SuperLife.co.nz** and include your name, date of birth, SuperLife member number or your IRD number.
- Fill out a **PIR advice form** and send it to us. Call us on **0800 27 87 37** to get a form.

Note: the new PIR will generally apply from the date that you advise us.

What if my income changes?

Your PIR is based on your income each year. Your income will most likely change each year and this may mean a change in your PIR from one year to another. If your PIR changes, you need to tell us.

If your income changes during a year, it does not affect your PIR until the next year at the earliest. Your PIR is based on your annual income in either of the last two years that gives you the lower PIR.

Does my PIE income affect my own tax returns?

No. As long as we have your correct PIR, **SuperLife** will deduct the appropriate tax (either 10.5%, 17.5% or 28%) from the taxable investment income allocated to your accounts. There will be no more tax to pay and it doesn't affect your tax return.

Questions

We have tried to explain PIRs as simply as possible. However, the tax law is complex. If you have any questions, please contact us.

Detailed guide to calculating PIR

Your PIR is 10.5%, 17.5% or 28%. The default PIR is 28%. If your PIR is not 28%, you must tell us before we can apply the lower rate.

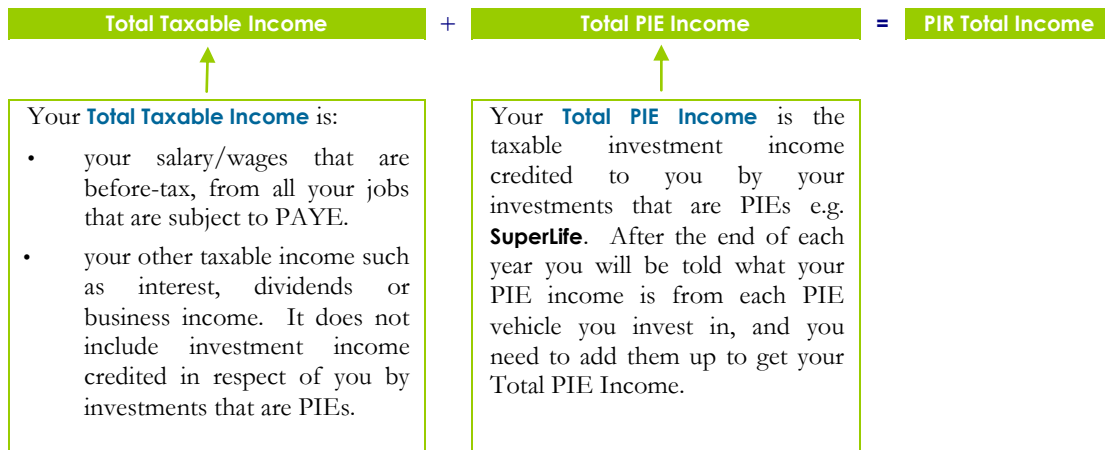
If you are an **overseas tax resident**, your PIR is 28%. The 10.5% and 17.5% rates are not applicable.

Your PIR for any year is calculated based on your PIR Total Income in the two prior financial years (1 April to 31 March). You calculate your PIR separately for each year and then choose the year that gives you the lower PIR. For example, for the period from 1 April 2012 to 31 March 2013, you would calculate your PIR Total Income for the year to 31 March 2012 and the year to 31 March 2011.

If you earned between \$14,000 and \$48,000 in either of the last two years we may be able to tax your investment income at 17.5% not 28%.

Work out your “PIR Total Income”

To calculate your PIR, you need to calculate your “PIR Total Income” which is your Total Taxable Income plus your Total PIE Income. Enter your details to 31 March for last year, and the year before.



Enter your Total Taxable Income and your Total PIE income below, add them together to work out your Total PIR Income for each of the last two years.

	Total Taxable Income	+	Total PIE Income	=	PIR Total Income
Last year	\$		\$		\$
Year before last	\$		\$		\$

Work out your PIR

Use the table to work out your PIR by looking at the column that matches your total taxable income, and then the row that matches your PIR Total Income. Remember work it out for each year and take the lower PIR.

		Total taxable income level		
		0 to \$14,000	\$14,001 to \$48,000	\$48,001 or more
PIR Total Income	Less than \$48,000	10.5%	17.5%	28.0%
	\$48,001 to \$70,000	17.5%	17.5%	28.0%
	\$70,001 or more	28.0%	28.0%	28.0%

SuperLife Limited
 PO Box 8811
 Symonds Street
 Auckland 1150

0800 27 87 37

info@SuperLife.co.nz

www.SuperLife.co.nz