

# Reading and understanding your PIE Taxation Statement

*The following is an explanation of the terms you may see on your PIE Taxation Statement.*

**Portfolio Investment Entity (PIE)** A type of managed fund that meets certain criteria and elects to be subject to the PIE rules.

Investors in a PIE are taxed at their Prescribed Investor Rate (PIR).

**PIE taxable income/loss** Your share of the PIE's taxable income (or loss) based on the number of units you hold in the fund. This includes any investor fees and management fee rebates.

**Prescribed Investor Rate (PIR)** The tax rate used to calculate your tax liability or refund in respect of the PIE taxable income (or loss).

Your PIR will either be 19.5% or 30%. If you have not provided your PIR and IRD number, your PIE income (or loss) will be taxed at the default rate of 30%.

**Gross tax payable/rebate** Your gross tax payable/rebate based on the PIE taxable income (or loss) multiplied (x) by your PIR. For example, if your PIE taxable income is \$100 and your PIR is 30%, your gross tax payable will be \$30.

**Tax credits** New Zealand and foreign tax credits allocated to you based on the number of units you hold in the fund. If the value is positive, this will either reduce your gross tax payable or increase your rebate. If the value is negative, this will result in an additional tax liability that will either increase your gross tax payable or reduce your rebate.

**Net tax paid** Your net tax liability, which has been deducted from your investment fund.

**Net tax rebate** Your net tax rebate, which has been allocated to your investment fund.

**Net tax adjustment** Your net tax liability has been paid by cancelling units equal to the value of the net tax liability.

Your net tax rebate has been allocated to you, by way of issue of additional units equal to the value of the rebate.