



# Lifetime

MASTER TRUST

31 March 2023

## Tax

### Lifetime Master Trust

#### Issued by Lifetime Trustee Limited.

This document provides additional information on tax relating to the Lifetime Master Trust. This document should be read in conjunction with the Lifetime Master Trust (**Scheme**) product disclosure statement (**PDS**). This document and other material information documents regarding the Lifetime Master Trust, including a glossary of terms used can be found at [lifetimeincome.co.nz/master-trust](https://lifetimeincome.co.nz/master-trust) or on the Disclose Register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

# Tax

This document contains further information on tax relating to the Lifetime Master Trust.

The following comments are intended to be only a general summary of the relevant New Zealand tax laws as at the date of this document.

The Trustee does not accept any responsibility for an investor's tax consequences. Investors should consider their own taxation position and if necessary seek professional advice before investing. If the Scheme ceases to be a multi-rate PIE the tax consequences will be different from what is set out below.

## Prescribed investor rate (PIR)

The Lifetime Master Trust is a type of portfolio investment entity (PIE) known as a multi-rate PIE. This means the tax payable on your investment income is based on your prescribed investor rate ('PIR'). The Scheme pays tax on your behalf by deducting units in your member's account i.e. selling some units.

You need to tell us which tax rate to use. Work out your PIR using the table below. You will need to know the amount of your taxable income and your PIE income in each of the last two 'income years'. For most (but not all) people their income year will be the same as the tax year which is the period from 1 April in one year to 31 March the next year. You can find your PIE income on your PIE tax certificates.

It is important that you fill in your PIR on the application form. We will use the PIR provided by you unless we are notified by Inland Revenue to use a different PIR. If you don't tell us your PIR, we will tax your investments at 28%.

## Prescribed investor rate vs. income tax rate

Your prescribed investor rate is the tax rate used for your member's account. This may be different from your income tax rate, which is the tax rate you use for other income, such as salary and wages.

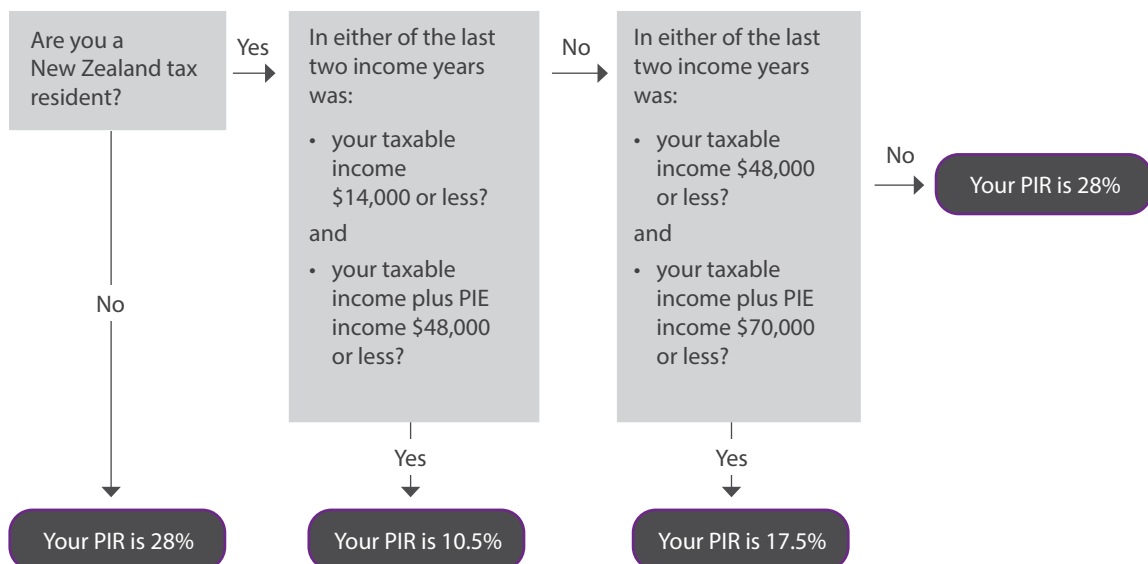
## Keeping your prescribed investor rate up to date

Please let us know in writing of any change to your PIR. We can't change tax payments we have already made on your member's account, but we can change the rate for future payments.

If your correct PIR is higher than you told us, you will have tax liabilities and may have penalties and interest. If your correct PIR is lower than you told us then, as part of Inland Revenue's income tax year-end process, any excess tax may result in a refund to you.

If Inland Revenue notifies us of a different PIR for you, we will apply that different PIR.

## Working out your PIR



All non-resident investors have a PIR of 28%. Special provisions apply for new residents. For details, see the Inland Revenue website [ird.govt.nz](http://ird.govt.nz).

## PIE tax certificates

Each year we will send you a PIE tax certificate showing details of your attributed PIE income and tax paid on your behalf. These amounts may be positive or negative.

## PIE taxable income

As a PIE, any capital gains made by the Scheme on shares in New Zealand resident companies and certain Australian resident listed companies will be excluded from the calculation of taxable income. Most overseas shares and interests in managed funds held by the Scheme will be taxed under what is called the fair dividend rate (**FDR**) method.

Under FDR, the Scheme is deemed to have income calculated by reference to 5% of the value of its overseas shares and interests in managed funds. Any dividends or other returns from these overseas shares and interests in managed funds will not be taxed separately in New Zealand. Also under FDR, tax deductions may not be made for any losses on overseas shares and interests in managed funds. Tax may be paid in overseas countries on these overseas investments (although this may give rise to a tax credit in New Zealand).

Other Scheme income (e.g. dividends on New Zealand shares and interest on bank deposits) is subject to the relevant normal tax rules.

## What are foreign tax credits?

Foreign tax credits may provide relief from double taxation (which can arise when the same income is taxed in multiple countries). The amount of foreign tax that has already been paid on a particular source of off-shore income may be subtracted from the amount of tax owing to Inland Revenue on that particular source of income.

## Other tax credits

Other tax credits might include imputation credits, resident withholding tax or dividend withholding payments. For more information visit Inland Revenue's website at [ird.govt.nz](http://ird.govt.nz).

## Employer contributions

Contributions paid by your employer are subject to employer superannuation contributions tax (**ESCT**). These contributions will be taxed at a rate based on your income as shown in the table below.

ESCT rate threshold amount	Tax rate
\$0 – \$16,800	10.5%
\$16,801 – \$57,600	17.5%
\$57,601 – \$84,000	30.0%
\$84,001 – \$216,000	33.0%
\$216,001 and above	39.0%

'ESCT rate threshold amount' means your total salary and wages plus employer superannuation contributions. It is based on your previous year's income or your employer's estimate of your income if you have been employed by your current employer for less than a year.

## Benefits

All benefits from the Scheme are tax-paid under current legislation.



## Contact us

Our helpdesk staff are available to assist you with any queries. Please note that our contact centre staff are not able to provide you with financial advice.

**Telephone:** 0800 266 268

**Email:** [lifetime@linkmarketservices.com](mailto:lifetime@linkmarketservices.com)

**Website:** [lifetimeincome.co.nz/master-trust](http://lifetimeincome.co.nz/master-trust)