

# Tax Rate Summary

## 1 April 2011 Tax Change - Company Resident Withholding Tax

Resident Withholding Tax (RWT) is a tax deducted from investment income before you, as an investor, receive it.

From April 1 2011 interest payments for companies that would have had RWT deducted at 30% or 33%, will have RWT deducted at the new rate of 28%. We will default companies into the new tax rate.

The RWT rates for individuals and trusts will not change.

Please see below both the current RWT rates, and the new company rate effective 1 April 2011.

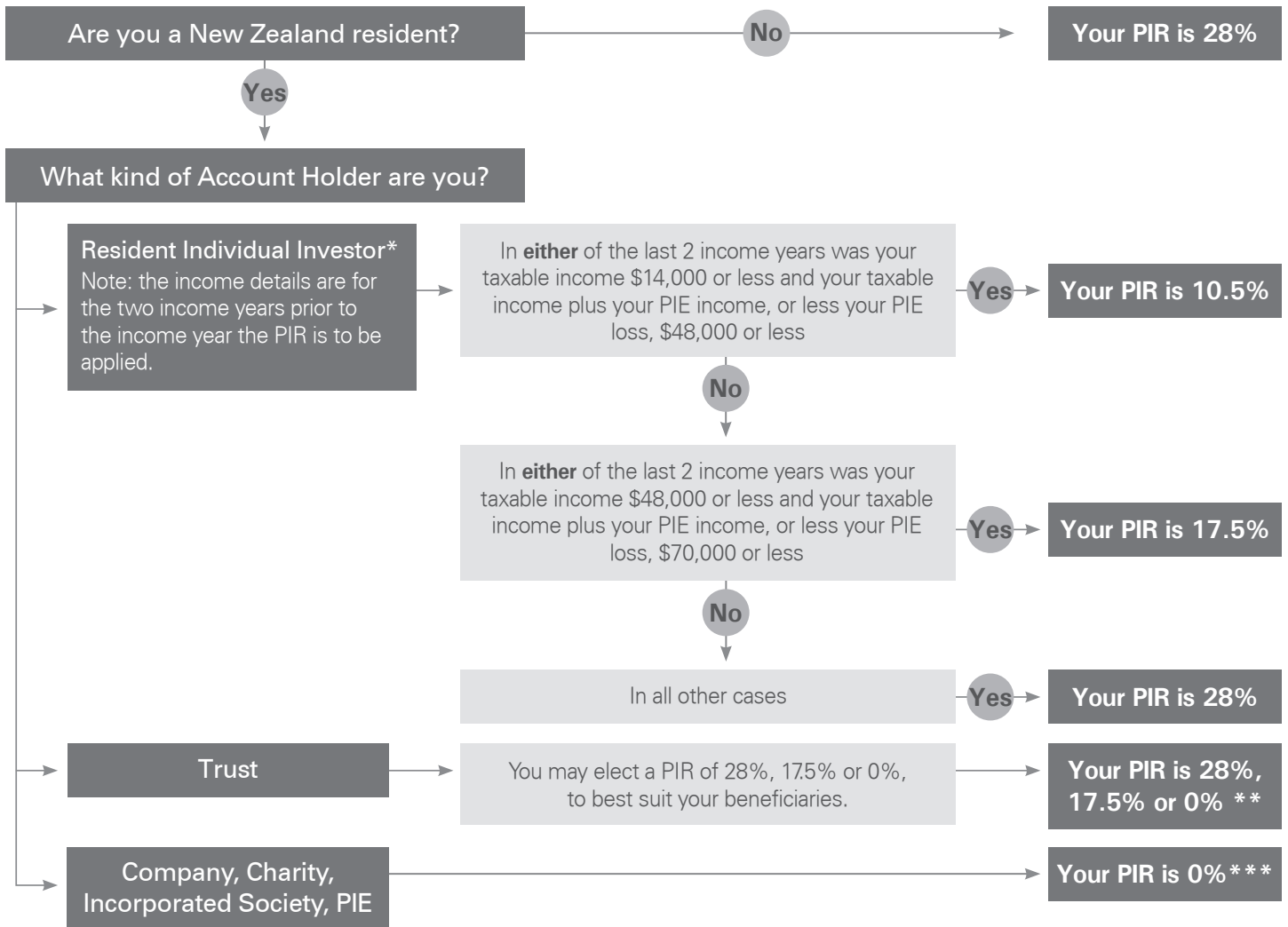
RWT rates from 1 April 2011	
Income threshold	RWT rate
\$0 - \$14,000	10.5%
\$14,001 - \$48,000	17.5%
\$48,001 - \$70,000	30%
\$70,001 and over	33%
Company rate	28%
No-notification rate	33%

For current Prescribed Investor Rates (PIR) - see overleaf

# How to work out your Prescribed Investor Rate (PIR)

Effective 1 April 2011

A PIR is required if you have invested in, or are considering investing in, a Portfolio Investment Entity (PIE) such as Craigs Investment Partners' Defined Portfolios.



\*Joint accounts - Individuals need to calculate PIR separately, and the highest income is used to calculate ALL income.

\*\* If your trust is a testamentary trust, you may also elect a PIR of 10.5%.

\*\*\* If you have a PIR of 0%, you are required to include any investment income in your company's, trust's or estate's tax return

Please note - if you have not provided Craigs Investment Partners with your PIR and IRD number, your PIR is automatically set to 28%. Craigs Investment Partners are not tax specialists and therefore recommend you confirm your PIR with the Inland Revenue Department or your accountant.

A copy of the Craigs Investment Partners Defined Portfolios Investment Statement is freely available, visit - [www.craigsip.com](http://www.craigsip.com)

## Change of tax rate form – 1 April 2011

First Name | \_\_\_\_\_ Last Name | \_\_\_\_\_

Client Account Number | \_\_\_\_\_ IRD number | \_\_\_\_\_

Resident Withholding Tax (RWT) rate (please circle) | 10.5% 17.5% 28% 30% 33% Other: \_\_\_\_\_

Prescribed Investor Rate (PIR) (please circle) | 10.5% 17.5% 28% \_\_\_\_\_ (please specify)

Signature | \_\_\_\_\_

Please return to: Your Advisor; or Craigs Investment Partners, Custodial Services, FreePost 366, PO Box 13155, Tauranga 3141