

InvestNow Workshop:

Tax and what to expect



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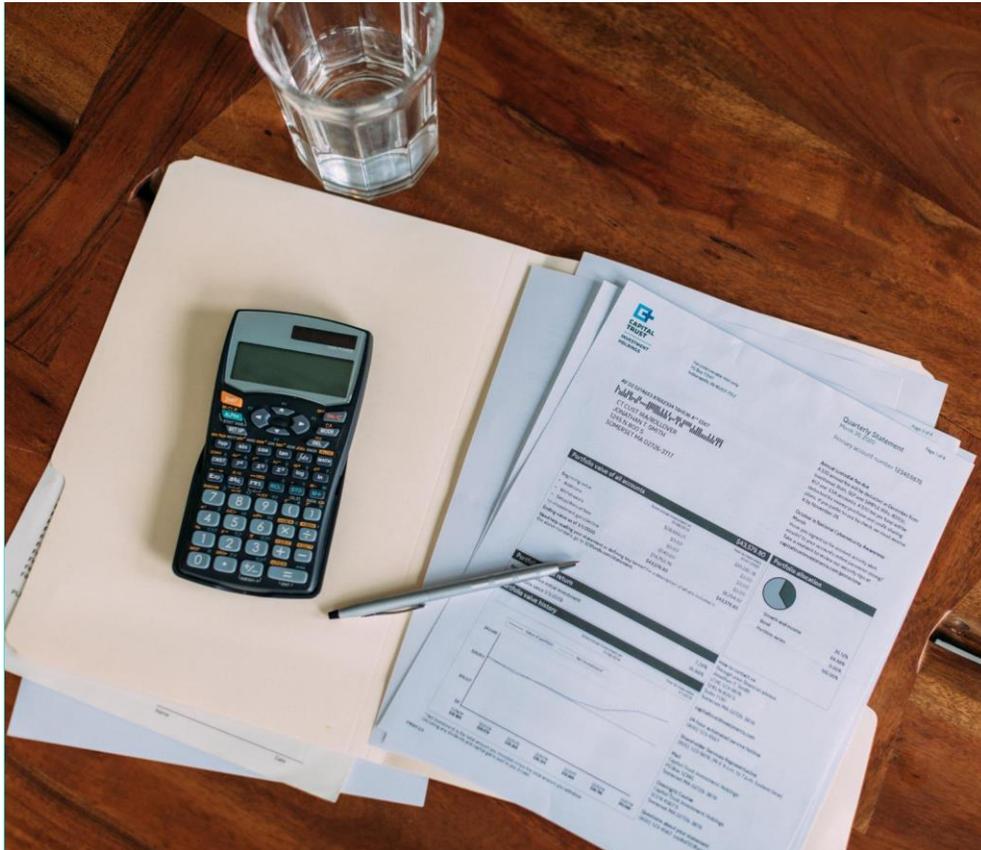
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01 Tax Methodology – How Different Investment Structures are Taxed



1) Multi-Rate Portfolio Investment Entities (PIEs) – PIR up to 28%

Multi-rate PIEs simplify tax by paying at each investor's Prescribed Investor Rate (PIR) up to 28%, usually final tax.

2) Listed PIEs – Fixed 28%

Listed PIEs pay a fixed 28% tax rate with imputed dividends, allowing investors to claim refunds if their rate is lower.

3) Term Deposits – RWT up to 39%

Term deposits are taxed via Resident Withholding Tax (RWT) up to 39% deducted at payment.

4) Australian Unit Trusts – FIF Rules at RWT up to 39%

Offshore investments like Australian Unit Trusts are taxed under the Foreign Investment Fund (FIF) tax at your RWT up to 39%.

01 Tax Methodology – Multi-Rate PIE Tax

What funds?	When is it deducted?	How is it calculated?
Multi Rate PIE Funds (Most Funds on InvestNow)	At the end of the financial year (31 st March)	Using your InvestNow account's PIR Individuals: 10.5%, 17.5%, 28% PIR Trusts: 0%, 10.5%, 17.5%, 28% PIR Companies: 0% PIR
All InvestNow KiwiSaver Scheme Funds	When units are sold during the year	Using your KiwiSaver account's PIR Individuals Only: 10.5%, 17.5%, 28% PIR

Tax Made Simple – Multi-Rate PIE Funds calculate and pay your PIE tax to the IRD at the end of the financial year, so there is nothing you need to do when it comes to your tax return.

01 Tax Methodology – Listed PIE tax

What funds?

Smart Exchange-Traded Funds (ETFs)

When is it deducted?

When you received a dividend/distribution from your Smart ETF investments

How is it calculated?

Tax is deducted at a **fixed rate of 28%** regardless of your individual PIR*

***If your PIR is lower than 28%** = You can elect to include Listed PIE dividends in your annual tax return (IR3) and the attached imputation credits (tax credits for NZ company tax already paid) which can reduce your taxable income.

Step-by-step to include Listed PIE Dividends in your Tax Return (myIR):

1. Login to myIR → Individual income tax → File return (IR3)
2. Go to New Zealand dividends
3. Enter the gross dividend and imputation credits exactly as shown in your InvestNow Tax Report (the section labelled Listed PIE distributions)
4. File as normal — credits will net off against the dividend and then other income; any surplus may be refunded by IRD.

01 Tax Methodology – FIF Income

What funds?	When is it deducted?	How is it calculated?
Australian Unit Trust Funds (AUTs) (i.e. Dexus, Ellerston Capital, India Avenue and Vanguard on InvestNow)	We do not deduct tax on your behalf. You must enter information on your tax return (IR3) at the end of the financial year	<\$50k Cost Basis: De Minimis Exemption; >\$50k Cost Basis: Fair Dividend Rate (FDR) or Comparative Value (CV) Methods

Foreign Investment Funds (FIFs) = FIFs are any non-PIE structured international investments you hold (e.g. direct shares, offshore ETFs, Australian Unit Trusts). Your FIF income must be declared on your annual tax return (IR3) and is taxed at your RWT of up to 39%. The main ways to calculate your FIF taxable income include:

- **De Minimis Exemption:** FIF Taxable Income = Dividends received from FIF investments (Note you can only choose this option if the cost of your FIFs are less than NZ\$50,000)
- **Fair Dividend Rate (FDR):** FIF Taxable income = 5% of your opening FIF portfolio value
- **Comparative Value (CV):** FIF Taxable Income = Actual gains/losses from FIFs over the year

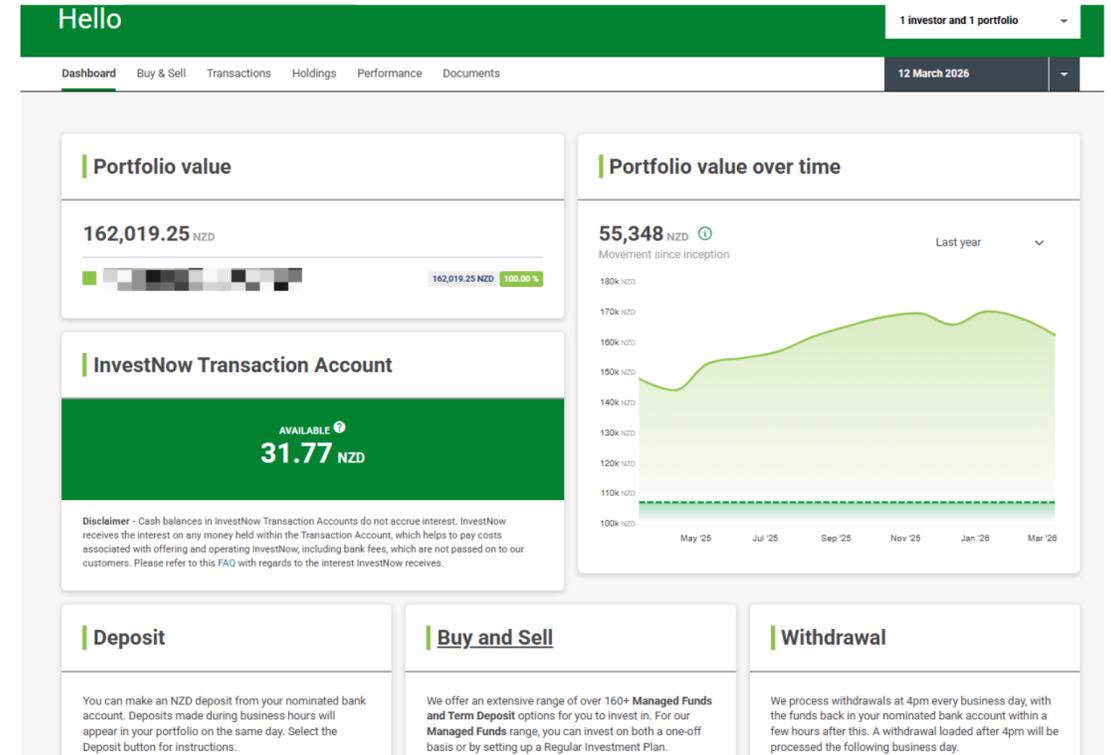
Your FIF calculation method applies to all your FIF assets, whether on InvestNow or otherwise.

01 Tax Methodology – Resident Withholding Tax (RWT)

What funds?	When is it deducted?	How is it calculated?
Term Deposits	When you receive an interest payment from your Term Deposits	Using your Resident Withholding Tax Rate (RWT) (10.5%, 17.5%, 30%, 33%, 39%)

02 2026 Tax Timetable

Date	What's Happening
31 March 2026	PIE tax estimate email received
13 April 2026	Final PIE tax email received
13 - 15 April 2026	Deposit funds for PIE tax
16 April 2026	Units sold to cover PIE tax
19 May 2026	Annual tax reports available
1 June 2026	Annual Member Statements available (KiwiSaver only)



You can find the deposit details for your managed funds account under the "Dashboard" page.

03 The Tax Report

Income		Gross amount	Resident Withholding Tax	Foreign Tax paid	Imputation Credits	Net amount	Section
New Zealand	Interest	0.00	0.00	0.00	0.00	0.00	X.X
	Dividends	0.00	0.00	0.00	0.00	0.00	X.X
	Coupons	0.00	0.00	0.00	0.00	0.00	X.X
	Subtotal	0.00	0.00	0.00	0.00	0.00	
Overseas	Interest	0.00	0.00	0.00	0.00	0.00	X.X
	Dividends - exempt from FIF rules	0.00	0.00	0.00	0.00	0.00	X.X
	Coupons - exempt from FIF rules	0.00	0.00	0.00	0.00	0.00	X.X
	Dividends - subject to FIF rules	0.00	0.00	0.00	0.00	0.00	X.X
	Subtotal	0.00	0.00	0.00	0.00	0.00	
Other income <small>(May need to be included depending on your circumstances)</small>	Gains - realised	0.00	0.00	0.00	0.00	0.00	X.X
	Gains - unrealised	0.00	0.00	0.00	0.00	0.00	X.X
	Fee rebates (portion not included in PIE)	0.00	0.00	0.00	0.00	0.00	X.X
	Accrued interest	0.00	0.00	0.00	0.00	0.00	X.X
	Fixed income amortisation	0.00	0.00	0.00	0.00	0.00	X.X
Expenses							
	Administration fees and charges	0.00					X.X
	Bank fees	0.00					X.X
	GST	0.00					X.X
	Subtotal	0.00					
Foreign Investment Income (FIF)							
OR	Fair Dividend Rate - Default Method	0.00	Note Title: Notes - determine your de minimis status, you need to check your holdings across all institutions you invest in. FIF rules apply to any "Natural Persons" if their global FIF share portfolio costs exceed de minimis status (currently NZ \$50,000 per individual) at any stage during the year. Individuals and certain trusts have the option to use either the Fair Dividend Rate (FRD) or Comparative Value (CV) method for certain investments; whatever is more beneficial to the situation. Under the CV method, if your total portfolio return is negative, your tax obligation will be zero. If you are not a natural person or a trust able to choose between methods, you must use the FDR method where its use is permitted. Where the use of FDR method is not permitted for certain instruments (see Tax Report User Guide), you must use the CV method. In these cases, Foreign Investment losses are not reduced to zero.				
	Comparative Value - Optional Method	0.00					
	Comparative Value - Compulsory Method	0.00					

- You will see your RWT from Term Deposits under the NZ Income – Coupons section
- You will see your FIF dividends under the Overseas Income – Dividends section
- Your FIF rules (CV/FDR calculations) will be shown in the table at the bottom left of the page under Foreign Investment Income (FIF)

03 The Tax Report Cont.

PIE Tax Statement
For the Period: 1 April 2024 – 31 March 2025



Client Name: Example example Extra Longname
Entity Number: 123456789
Investor Type:

NZ IRD Number: 888-333-444
Resident:
Reporting currency (unless stated): NZD

Interest Withholding Tax Rate: X.XX%
Prescribed Investor Rate (PIR): X.XX%

PIE Income for 0% PIR
This section relates to those with a 0% PIR and are not charity and this information is required to be included in your Tax Return

	PIR	Taxable income	Gross tax payable/(rebate)	Less tax credits	Net tax paid/(rebate)	Section
Taxable Income/(loss)	0.00	0.00	0.00	0.00	0.00	X.X

PIE Income for PIR greater than 0%
Please check your Prescribed Investor Rate (PIR) displayed below. If it is correct, you don't have to do anything.
If the PIR shown on the statement is incorrect, please notify us as soon as possible. If you used a PIR lower than your correct rate, you will need to include the income and any tax paid in your income tax return. If you are unsure of which PIR you should be using, please visit the Inland Revenue website (www.ird.govt.nz) and search for PIR, or seek independent advice.
Your tax was paid by either adjusting the number of units in the fund, or by adjusting the proceeds of any redemptions that you have made during the period. Please consult your holdings statement for more details.

	PIR	Taxable income	Gross tax payable/(rebate)	Less tax credits	Net tax paid/(rebate)
Taxable Income/(loss)	0.00	0.00	0.00	0.00	0.00

Note: The following fees have been deducted from your PIE Taxable income and therefore does not need to be included in your tax return 0.00.

Listed PIE Distributions

	Gross amount	Imputation credits	Net amount
Dividends received	0.00	0.00	0.00

- This page shows the break down of your PIE income from multi-rate PIE funds
 - This information is reported to the IRD on your behalf
- The Listed PIE Distributions section shows the distributions received from your Listed PIE (Smart Funds)

03 The Tax Report Cont.

Statement Summary		
For the Period: 1 April 2024 – 31 March 2025		
Total Returns	01 October 2025 - 31 December 2025	12 Months
Opening Value	XX,XXX.XX	XX,XXX.XX
Plus Movements		
Deposits		
Capital Issued	0.00	0.00
Gains/Losses from Investments		
Equity - Realised	0.00	0.00
Equity - Unrealised	0.00	0.00
Currency	0.00	0.00
Revenue		
Interest Income	0.00	0.00
Fee Rebates	0.00	0.00
Distributions	0.00	0.00
Taxes		
Tax Paid (28.0%)	0.00	0.00
Tax Withheld, RWT	0.00	0.00
Tax Withheld, Foreign Tax Credit	0.00	0.00
Expenses		
Percentage Based expenses	0.00	0.00
Trading Expenses	0.00	0.00
Closing Value as at XX XXX 20XX	XX,XXX.XX	XX,XXX.XX

Notes:
 1 and 5 year Total Return (%) figures are calculated using internal Rate of Return (IRR).
 Return (%) figures are before tax and after fees. All figures are in NZD



- This is a summary page of your investments at the beginning of the tax year (1st April) to the end of the tax year (31st March)
- This is great to provide to accountants should you need to at the end of the financial year

04 Common Questions

1. What if the wrong PIR has been applied to my account?

Once your PIE tax information is provided to the IRD, they will calculate whether the right PIR has been used and the right amount of tax has been deducted. If the wrong PIE tax has been paid, the IRD will calculate the difference and add or subtract this from your total tax for the year. The IRD will contact you directly if you are receiving a tax rebate or have tax to pay which is usually in June.

2. What happens if I have a Regular Investment Plan during tax time?

As we reserve funds for PIE tax, this can mean that your Regular Investment Plan may fail to run. You will receive an email confirming that your plan has not run and we will contact customers in the last week of April where plans may have been stopped due to a PIE tax payment. The simplest way to resolve this is to deposit funds to make sure your plan runs.

3. Can I get a PIE tax refund?

You absolutely can get a PIE tax refund. We will email you confirming that you have received one for the 2026 financial year and the rebate will be paid to your InvestNow Transaction Account

4. How is PIE tax calculated on a joint account?

For joint accounts, we calculate and pay PIE tax based on the IRD number held at the account level. Where we have an IRD number for each member on the joint account, the IRD will automatically split the PIE income equally (50/50) between each member. If you wish, you can manually adjust this split in MyIR

A man is sitting on a light-colored sofa, looking at a laptop screen. He is smiling slightly. The background is a blurred indoor setting. The entire image is covered with a semi-transparent green overlay. The text 'Q&A' is centered in white.

Q&A

Take Control of Your Taxes Today with InvestNow's Investor Tax Guide

SEARCH

InvestNow's Investor Tax Guide



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