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What is my PIR and why does it matter?

When you invest in a multi-rate PIE you need to provide them with your prescribed investor rate (PIR) and your IRD number. Making sure you pay the correct amount of tax that applies to your situation is essential so you don't get caught short at the end of the year.

Individuals in NZ can have different PIRs depending on their worldwide income for the last two income years. Once you work out the tax for each of the last two years you can choose the lower PIR for the current year.

The thresholds for Individuals for the different PIRs are as follows:

Taxable Income was:	And taxable income including net PIE income	PIR
\$14,000 or less	\$48,000 or less	10.5%
\$48,000 or less	\$70,000 or less	17.5%
All other cases		28%

There are separate rules for Non-Resident investors and it will depend on the type of investment and the country the investments are in.

Investments held by companies, charities, incorporated societies or PIEs have a PIR of 0%, whereas Trusts often choose a PIR suit their beneficiaries.

Inland Revenue has a very user friendly online questionnaire that will help you work out the prescribed investor rate for you, check it out at <https://www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate>.

If you would like to know more or require assistance please contact [Kirit](#) or [Alannah](#).

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