

FREE POST TO PARLIAMENT

Address to your MP:

NAME: _____

PARLIAMENT BUILDINGS

WELLINGTON

NEW ZEALAND

**FAIR TAX
FOR
SAVERS**

Detach and post your request for fair tax for savers right now!

Be part of one of the most polite requests for policy change in New Zealand political history.



*Please cut the
taxes on
my savings*

You lose nearly half your KiwiSaver earnings to tax

Let's have the same effective tax rates on KiwiSaver as paid on other income

An average income earner's KiwiSaver fund would be at least \$100,000 bigger!

Let's pay tax only on the real interest earned on term deposits

My Dear MP

Would you please look into supporting fairer taxes on savings, like KiwiSaver and Term Deposits, and let me know your policy position.

The Savings Working Group, Retirement Commissioner and Financial Services Council have all recommended lower taxes on savings. **Why?**

KIWISAVER: Each year we're paying tax on the interest earned. And then on interest on the interest re-invested. **That means KiwiSaver earnings are almost cut in half by tax!** Yes an average wage earner saving for 40 years would end up with over \$100,000 more if KiwiSaver earnings were subject only to effective tax rates, the same as the standard marginal tax rates!

This is not a KiwiSaver tax rate concession. It just means paying the same effective tax rates as paid on other income.

TERM DEPOSITS: If a term deposit is earning, say, 5.75% interest and if inflation is, say, 2%, then **the real interest rate is 3.75%. However, we pay tax on the 5.75%.** If a saver lends a bank \$10,000 for 5 years about \$1000 of the interest received is to compensate for inflation. It is not really income. If a 33% marginal tax rate is paid on that, then it has cost \$389 too much in tax over 5 years.

Policy changes suggested: Please look at making the effective tax rates on savings the same as the marginal tax rate savers pay on their other income and taxing only real interest income.

Like more than 750,000 adults with term deposits and more than 2 million in KiwiSaver, I look forward to your reply. There is more information for you at www.fairtaxforsavers.org.nz

Yours sincerely

Your name

Street address

E-mail address

Signature

My other personal comments:



Please cut the taxes on my savings

78% want fair tax for savers

Sign an online petition

78 out of every 100 New Zealand adults support reducing taxes on long term savings, like term deposits and KiwiSaver.

**FAIR TAX
FOR
SAVERS**

See why – and also sign an online petition right now at www.fairtaxforsavers.org.nz

Talk to friends and family about this issue



Use your smart device and scan also