

New Zealand	Incentive Plan/LTIP
When will I be taxed in relation to my plan benefits?	<p>Grant: No income tax. No social security.</p> <p>Vesting: No income tax unless participant obtains beneficial ownership of shares. No social security.</p> <p>Transfer to participant: Income tax (unless applied at vesting). No social security.</p> <p>Sale by participant: Generally, no tax on capital gain. No social security.</p>
What is the maximum rate of income tax payable in relation to my plan benefits?	<p>39% (2025/26). Any change in tax rates usually takes effect from 1 April.</p>
Income tax rates	<p>The following progressive tax rates apply (figures in NZD):</p> <ul style="list-style-type: none"> • from 0 to 15,600: 10.5% • from 15,601 to 53,500: 17.5% • from 53,501 to 78,100: 30% • from 78,101 to 180,000: 33% • over 180,000: 39%. <p>Note: income from share or cash-based awards may be subject to deductions in relation to compulsory repayment of student loans through the income tax system, at a rate of 12% for every NZD1 earned over the repayment threshold. For the 2026 tax year (1 April 2025 to 31 March 2026), the repayment threshold is NZD24,128. For employees, such repayments will generally be collected through income tax withholding.</p>
Will my employer withhold income tax in relation to my plan benefits?	<p>No withholding obligations for share settled benefits unless the employer elects to treat the benefit received by an employee under the employee share plan as an amount of 'extra pay'. If such an election is made, the employer must pay the relevant amount of income tax in respect of the extra pay to Inland Revenue through the pay-as-you-earn (PAYE) regime (satisfying the employee's personal income tax liability). Employer withholding applies if the employee receives cash instead of shares under an employee share plan (a cash-settled employee share scheme (ESS) benefit).</p>
Are my plan benefits subject to social security contributions?	<p>No (unless it is a cash-settled ESS benefit).</p>
Employee social security	<p>Employee social security (max rate): ACC levy: 1.67% (2025/26).</p> <p>Employee social security (cap): ACC levy is payable on income over the minimum liable income level of NZD49,365 up to the maximum liable income level of NZD152,790 per year (2025/26 tax year).</p> <p>Note: the ACC levy is not payable in respect of benefits derived under an employee share plan (unless it is a cash-settled ESS benefit).</p>
What is the maximum rate of capital gains tax?	<p>None (in most circumstances).</p>

<p>What is the maximum tax rate payable on dividends?</p>	<p>39%</p>
<p>Do I have to report any income in relation to the plan to my local tax authority?</p>	<p>To the extent that the individual has income which has not been subject to employer reporting and/or the individual is required to report foreign assets under the foreign investment fund (FIF) regime, then the individual may be required to report. There is no specific filing in relation to equity related incentives.</p> <p>Report name: Annual Individual Tax Return (IR3). Dividends are reported on the same return. The return can be filed online. The tax return can be downloaded from the website here.</p> <p>Employees may also be required to report information about foreign shares held to the Inland Revenue under the FIF regime. This is an annual obligation. There are a number of possible exemptions to this FIF disclosure requirement, which can be affected by the employee's individual circumstances (including, for example, where the total value of foreign shares held by the individual does not exceed NZD50,000). There are different disclosure forms depending on which calculation method the employee has applied in respect of their overseas shareholding. Where the default calculation is used (the "fair dividend rate" method), the applicable form is IR447.</p> <p>Tax period: 1 April to 31 March.</p> <p>Reporting deadline: tax returns must be filed by 7 July (extended to 31 March of the following year, if the employee has a tax agent).</p> <p>Payment of tax: if an individual has additional tax to pay, the due date is 7 February following the end of the tax year (extended to 7 April if the employee has a tax agent or accountant). If an individual had residual income tax (RIT) in the previous tax year over NZD2,500, they will pay provisional tax the following year. Payment of provisional tax is generally paid in three instalments, with the third instalment due by 7 May. Dividend tax forms part of an individual's RIT and must be paid at the same time as any RIT payments. An employee's deemed income on an overseas shareholding under the FIF rules will also form part of their overseas income for the purposes of the IR3 form. This may result in an annual assessment of tax in respect of the overseas shareholding.</p>

Tax - Employee Notes



This summary assumes that you only pay tax in one place. Different rules may apply if you pay tax in different places.

This summary is only a guide. It is limited to a general description of national tax laws and does not address various issues which may impact the tax result, including: local, city, regional, state or other provincial taxes; retention and holding periods; restrictions on the shares; clawback terms and periods; and your own individual circumstances. We do not guarantee any particular tax result. Therefore, we recommend that you consult your own tax advisor regularly to determine your tax position.

The information provided is understood to be correct as of 9 February 2026. Changes in legislation or practice after this date may affect the tax treatment.

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