

Investment Bonds

2018 Tax Guide

For Guidance Only

This Tax Guide includes information that may assist individual investors complete their 2018 tax return, including the supplementary section.

As the Guide provides general information, it should not be relied upon as taxation advice. Each investor's particular circumstances are different and we recommend you contact your accountant, tax agent or other professional adviser for specific advice. Alternatively, contact the Australian Taxation Office on 13 28 61 or refer to relevant published information on www.ato.gov.au.

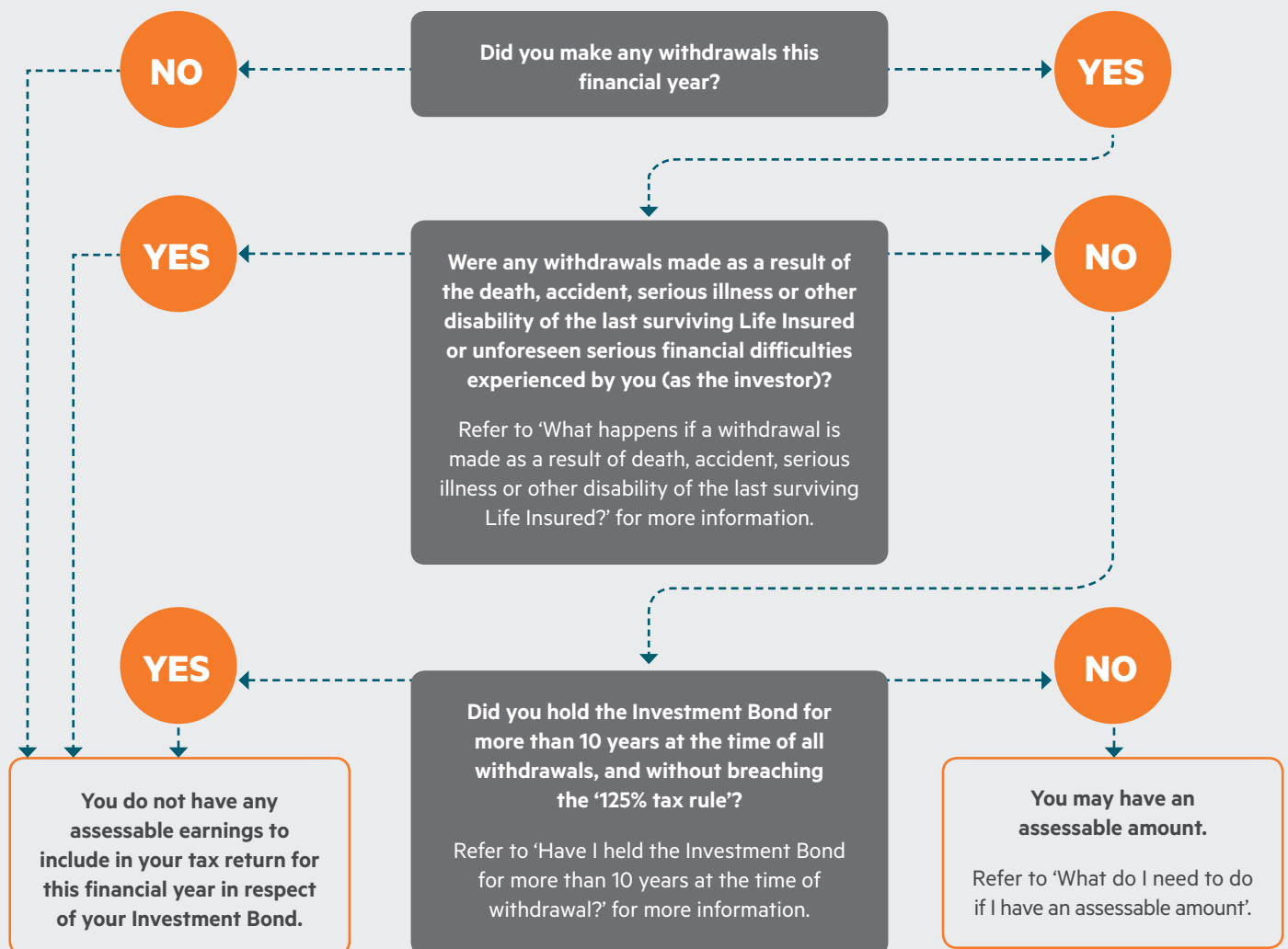
In this document, the term 'this financial year' refers to the financial year ended 30 June 2018 and the term 'Investment Bond' refers to the following products: Lifeplan Investment Bond (previously called Lifeplan NextGen Investments), Lifeplan Tax Minimiser Investment Bond, Lifeplan Tax Smart Investments, Lifeplan Flexishield Investment Bond, Lifeplan Wealth Builder and Lifeplan Community Bond.

Please also note that tax laws may change from time to time, as may the format of each year's tax return and its item numbering. This 2018 Tax Guide may therefore be unsuitable for another tax reporting year.

Please note:

As this information is for individual investors, Companies or trusts, etc. should refer to Australian Taxation Office publications or their accountant for preparing this financial year's tax return, as another tax return form may need to be used.

Do I need to include earnings in my tax return?



This diagram can help you assess whether your earnings need to be included in the Tax Return this financial year.

What do I need to do if I have an assessable amount?

Please refer to the Taxable Component (if any) shown on the letter we sent you when you made the withdrawal. This is your assessable amount. If you made more than one withdrawal from your Investment Bond this financial year you will need to add the Taxable Components from each withdrawal to get your total assessable amount.

Where do I include an assessable amount on my tax return?

Include this amount at Label W of Income item 22 (Bonuses from life insurance companies and friendly societies) in your Individual tax return 2018 (Supplementary section). The total amounts from this form will need to be transferred to the Individual tax return 2018 form to complete your 2018 return.

A tax offset (also called a tax rebate) should be available in respect of the above Investment Bond income included in your tax return and it will reduce any of your tax payable. You do not have to calculate this tax offset, as the Australian Taxation Office will calculate it for you, provided you enter the amount correctly in Income item 22.

What if I am aged under 18?

If you were aged under 18 on 30 June 2018, you may also be required to complete Item A1 (under 18) on page 7 of the Individual tax return 2018.

Does more than one person hold the Investment Bond?

- YES – Any Taxable Component amount should be appropriately split between each co-investor and only each individual's share of the assessable amount should be included in their tax return.
- NO – Any Taxable Component amount applies wholly to you.

What happens if a withdrawal is made as a result of death, accident, serious illness or other disability of the last surviving Life Insured?

No personal tax is payable on a withdrawal made in these circumstances, and no amount will need to be included in any tax return in relation to the withdrawal.

The same also applies if a withdrawal were made as a result of unforeseen serious financial difficulties experienced by you (as the investor).

Have I held the Investment Bond for more than 10 years at the time of withdrawal?

For tax purposes, the term of your Investment Bond will usually start from the date it was opened.

However, under the '125% tax rule', your Investment Bond's term (for tax purposes) restarts from a new date if at any time since your Investment Bond was opened you made additional contributions in an 'investment year' that exceeded 125% of your total contributions in the previous 'investment year'. This new date is the beginning of the 'investment year' in which you made the excess contributions. An 'investment year' is each 12 month period from your Investment Bond's original start date.

For an Investment Bond that was issued between 28 August 1982 and 7 December 1983, the tax period of '10 years' is substituted with '4 years'. For an Investment Bond issued before 28 August 1982, a withdrawal at any time is tax-free to you.

For further information, please consult your tax adviser or the Australian Taxation Office on 13 28 61 or refer to www.ato.gov.au




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Any tax information provided here and in any disclosure documents is general in nature and is only intended to provide a guide on how tax may affect investors. Tax laws may change in the future and may affect an investor's tax position and the tax information described in any disclosure documents issued. Investors should seek independent tax advice relevant to their particular circumstances.




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