

2023 Tax guide

Investment Bonds

About this guide

This Tax Guide is provided to assist you to determine what (if any) information you may need to include in your 2023 tax return.

If you did not make any withdrawals from your Investment Bond during the financial year ending 30 June 2023, you do not need to do anything, and this information will not be relevant to you.

An investment bond is known as a 'tax paid' investment. This means that tax is paid within the Investment Bond, so you don't have to include earnings in your personal tax return unless a withdrawal was made during the financial year.

If you made a withdrawal within the first ten years of the Account Start Date, you may have to include a portion of the earnings in your tax return. This Guide will help you work out if you need to do this.

In this guide:

- 'this financial year' refers to the financial year ending 30 June 2023; and
- 'Investment Bond' refers to the following products: Lifeplan Investment Bond (previously called Lifeplan NextGen Investments), 10Invest, Platinum Investment Bond, Lifeplan Tax Minimiser Investment Bond, Lifeplan Tax Smart Investments, Lifeplan Flexishield Investment Bond, Lifeplan Wealth Builder and Lifeplan Community Bond; and

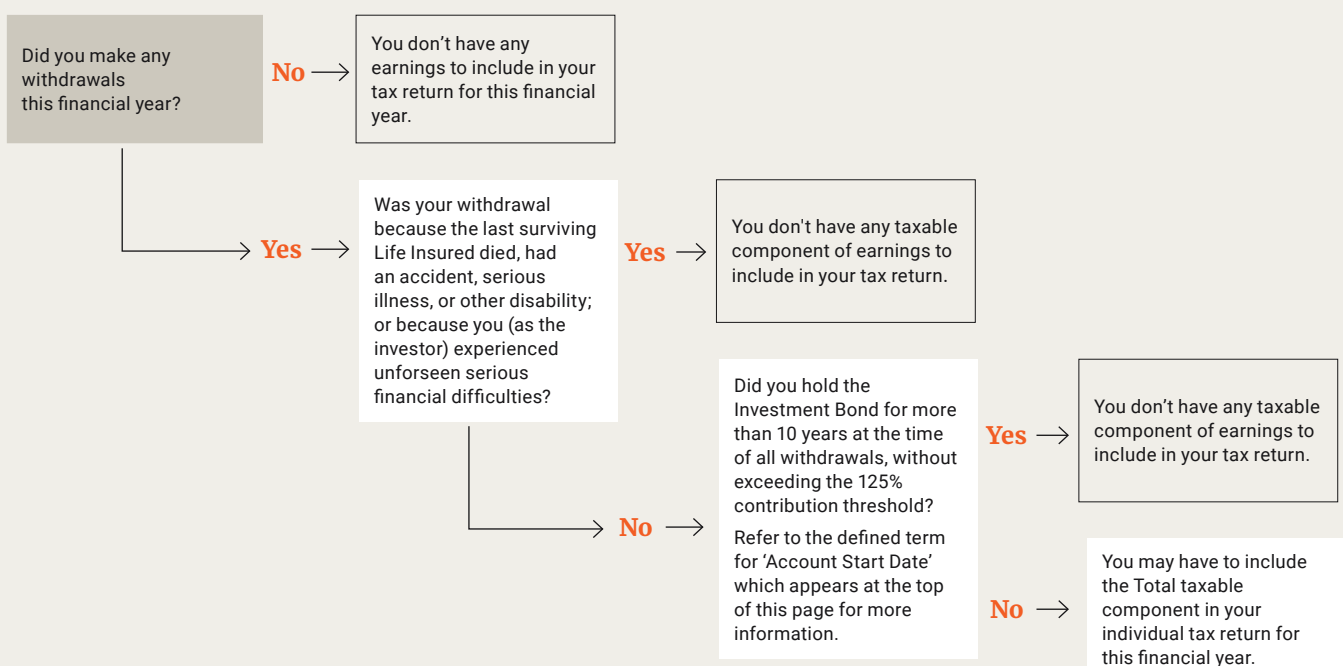
- The Account Start Date is normally the date your bond was opened, except where:
 - since holding the bond, you have in one investment year contributed more than 125% of the amount that you contributed in the previous investment year (an investment year is considered each 12-month period from your investment's Account Start Date); or –
 - in one investment year you have not made any additional contributions, but have made additional contributions in the next investment year

in which case the ten-year period for assessing if your earnings may be taxable will reset. Under these scenarios it will reset to the anniversary of your Account Start Date, within the year you exceeded the 125% contribution threshold.

For Guidance Only

This guide is only to be used by Australian residents for tax purposes in preparing individual tax returns. It contains general information only. It does not consider your personal circumstances or constitute tax advice. It is not designed to substitute any Australian Taxation Office (ATO) requirements or instructions. We recommend you seek professional assistance when completing your tax return. If you have questions about your tax return, please consult your tax adviser or ATO.

Do I need to include earnings in my tax return?



Information to help you fill in your Individual tax return

In the Individual tax return form, it mentions total income. Where do I find the amount of income paid in my withdrawal?

When you withdraw funds from your investment your withdrawal is made up of a combination of your own contributions and investment earnings.

If your withdrawal was made within the first 10 years of the Account Start Date you'll need to include the **Total Taxable component (TTC)** paid, in your Individual tax return. The TTC is the investment earnings component of the amount withdrawn.

However, there are exceptions to this (see When don't I have to include the TTC in my tax return? for more information).

You will find the TTC in the withdrawal letter we sent you.

If you made more than one withdrawal from your Investment Bond this financial year, you have to add the TTC for each withdrawal and use the combined figure in your Individual tax return.

Important – you do not need your annual statement to complete your Individual tax return. You will find all the information you need in your withdrawal letter(s).

Where do I include the TTC on my Individual tax return?

Include the TTC at Label W of the Income item 22 (Bonuses from life insurance companies and friendly societies) in your Individual tax return 2023 (Supplementary section).

The total amount in this form will need to be transferred to your Individual tax return 2023 form.

A tax offset (also called a tax rebate) should be available to you for your Individual tax return. The ATO will calculate the tax offset for you, if you entered the amount correctly in Label W of the Income item 22 (Bonuses from life insurance companies and friendly societies).

Do I have to include the whole TTC in my Individual tax return if I'm a joint investor?

The TTC should be appropriately split between each co-investor. You will both need to include your share of the TTC in your Individual tax return.

When don't I have to include the TTC in my individual tax return?

You don't have to pay personal tax on withdrawals made as a result of:

- the death, accident, serious illness or other disability of the last surviving Life Insured, or
- a withdrawal that was made due to unforeseen serious financial difficulties that you (the investor) experienced,

therefore you don't have to include the TTC in your Individual tax return. In these circumstances your withdrawal letter will show the TTC as \$nil.

Completing an Individual tax return for a minor

What if I am under 18, or completing an Individual tax return for a minor?

If you were aged under 18, or you are completing an Individual tax return for someone under the age of 18 on 30 June 2023, you may be required to complete Item A1 (under 18) on page 7 of the Individual tax return 2023.

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

Contact us
1300 1300 38
australianunity.com.au/wealth
enquiries@australianunity.com.au

Investor Services
 T 1300 1300 38

Adviser Services
 T 1300 133 285

Australian Unity
 Reply Paid 89, Adelaide SA 5001