



Case study

Avoiding the proposed Division 296 superannuation tax

Meet John...

John is a surgeon in his mid 60s with an SMSF valued at \$5 million and is not subject to preservation.

He is married and has two kids in their mid 20s.

John's situation...

Due to the recent proposed changes to superannuation tax for earnings on total superannuation balances over \$3 million, John's financial adviser proactively contacts him regarding these changes and recommends John restructure his superannuation.





John invests \$2 million in an investment bond and has \$3 million remaining in superannuation...

	\$5m invested under current super rules	\$5m invested under proposed super rules	\$3m invested under proposed super rules	\$2m invested in investment bond
Gross value	\$5,436,238	\$5,436,238	\$3,261,743	\$2,164,023
Large balance tax	-	-\$29,324	-\$3,150	-
Net value after 12 months	\$5,436,238	\$5,406,913	\$3,258,593	\$2,164,023
Net value after 15 years	\$17,734,817	\$15,806,320	\$9,870,884	\$7,853,890
Total net value after 15 years	\$17,734,817	\$15,806,320		\$17,724,774

John's outcome...

An investment bond is an easy, convenient and cost-effective way to pass on wealth.

Each investment bond can be transferred using Generation Life's Future Event Transfer arrangement tax-free as part of John's early estate planning wishes to his children. John has access to funds whenever he needs them in the meantime and can set up tax-paid regular withdrawals before his passing.

John's children will not have any tax assessable income to declare on withdrawals after 10 years of John's original investment.

Assumptions: The table above compares investment strategies held through a Generation Life Investment Bond against the same investment strategies held through a superannuation fund over a 15-year period returning 8.45% p.a. before tax with a franking level of 81.40%, an income return of 4.83% p.a. and growth return of 3.62% p.a. and allowing for additional tax under the proposed changes contained in Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Bill 2023 and Superannuation (Better Targeted Superannuation Concessions) Imposition Bill 2023. Returns are based on historical investment returns and expected tax assessable amounts without taking into account fees, charges and expenses. Generation Life does not make any guarantee or representation as to any particular level of investment returns. Past performance is not an indication of future performance. The above is factual information for illustration purposes only based on information current at preparation and is subject to change. It is not intended to imply any recommendation or opinion about superannuation products or superannuation investments. It does not consider the investment objectives, financial situation or needs of any person. Professional advice should be sought.



About Generation Life

At Generation Life, we know that finding the right investment partner is important for your future success.

We've been helping Australians since 2004 across all life stages and multiple generations. Today, we are a pioneer in providing market-leading investment bond and investment-linked lifetime annuity solutions to help secure the financial future of many Australians and their families.

As part of an ASX listed company, we're passionate about innovating and providing the best outcomes for our investors. We believe in putting our investors at the heart of everything we do.

We're here to help

Discover how Generation Life's investment bonds can help your clients tax-effectively optimise and protect their wealth [here](#). For technical strategies and tailored scenarios, contact us today [here](#).



Outthinking today.

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