

Flexibility to choose how a LifeBuilder investment is passed on

EstatePlanner helps investors plan and manage inheritances and wealth transfers tax-effectively, with the flexibility to choose to transfer wealth outside of their will or legal estate.

There are many options for passing on wealth to the next generation including using wills, trusts, and estates, all of which can be complicated, time-consuming and costly. Alternatively, an investor can consider using an investment bond to pass on wealth.

LifeBuilder's EstatePlanner provides three options to manage future wealth transfers and estate planning needs simply and conveniently.

Future Event transfer

LifeBuilder ownership can be transferred to an intended recipient at a nominated future date, which can include the date of death of the last surviving account owner. The transfer of ownership happens tax-free for income and capital gains tax purposes, and the 10-year advantage period is not reset when the transfer occurs. Ownership transfers to the intended recipient and will not form part of the owner's estate. The recipient can be an individual or a trust, including a family or discretionary trust.

There are also options to place restrictions on access to funds by the recipient, including nominating a specific date when funds can be accessed and/or setting up a Regular Income Payment to commence once funds can be accessed.

Nominating a beneficiary

One or more beneficiaries can be nominated to receive tax-free proceeds from a LifeBuilder investment on the occurrence of the nominated life insured event, including the passing of the nominated life insured (which can also be the owner). Benefits are paid directly to the nominated beneficiary and will not form part of the owner's estate.

There is also the option to manage nominations automatically should a nominated beneficiary pass away before the life insured, by using the joint survivorship or down-the-line nomination feature.

Passing on to the estate

If required, investors have the option of structuring their LifeBuilder investment to pass their investment proceeds onto their estate if they choose.

LifeBuilder EstatePlanner

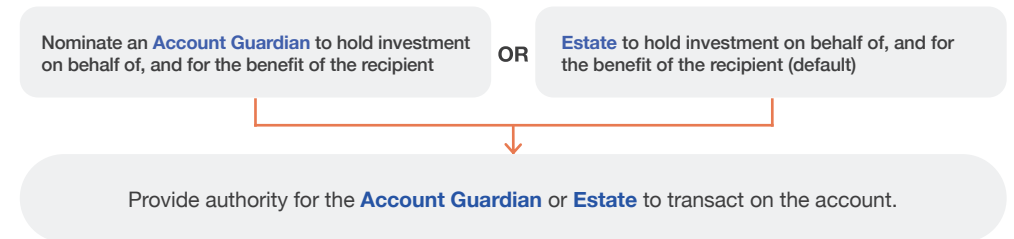


Instructions on death of a beneficiary

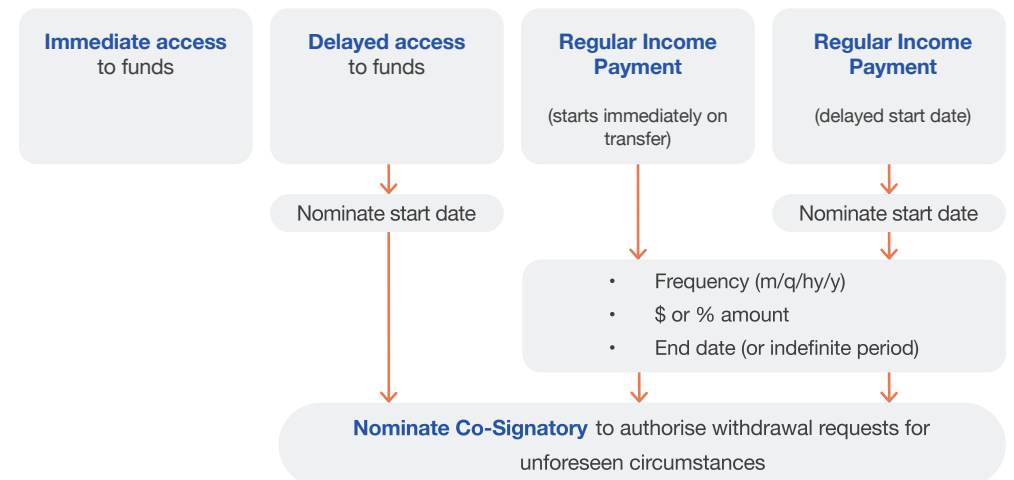


* Account owner(s) can nominate to transfer on an earlier date in the event of the last surviving account owner passing away before the nominated future date.

In the event the recipient is below age 16 on date of transfer, or death occurs before the nominated future date



Access to funds post transfer



How to set up LifeBuilder's EstatePlanner features

This guide will help you set up the LifeBuilder EstatePlanner features.

Estate planning options in detail



Future Event transfer feature

Individuals, joint owners and trusts can set up a Future Event transfer arrangement to transfer ownership of the LifeBuilder to an individual or existing trust (including a family or discretionary trust).

If the recipient individual is less than 16 years of age at the time of transfer or the death of the owner occurs prior to a nominated transfer date, and an Account Guardian has been nominated, the Account Guardian will hold the investment on trust on behalf of, and for the benefit of the intended recipient until the transfer to the recipient is able to be completed. Investors can nominate up to three individuals aged 18 years or above to act as Account Guardians, or a company entity to act as the sole Account Guardian.

The Account Guardian can be provided with the ability to transact on the account if required. Alternatively, the owner's estate representative will hold the investment until the child turns 16 years of age or the nominated transfer date is reached.

A transfer recipient can be removed or changed by an investor at any time until the nominated transfer date or event.

Selecting a future transfer date

There are three options to choose from to establish a transfer date.

On the death of the account owner

Individuals and joint owners can choose this option. Ownership will be transferred based on the passing of the last surviving owner.

Nominated future date

Individuals, joint owners and trusts can transfer ownership on a nominated future date.

The earlier of the date of passing or nominated future date

Individuals and joint owners also have the option of nominating the earlier of the nominated future date or the passing of the owner or the last surviving joint owner (for joint ownership) for a transfer to occur.

Access to funds

Investors have full control over access to funds prior to transfer.

Investors can, as a condition of the Future Event transfer arrangement, place restrictions on how and when the recipient of the LifeBuilder transfer can access funds. Investors can choose to provide:

- **Immediate access** to funds post transfer with no restrictions on how much can be withdrawn.
- **Delayed access** to funds for a period after the nominated transfer date by nominating an access date.
- **Regular Income Payments** where funds will be periodically paid to the transfer recipient (either as a fixed dollar amount or percentage of the investment transfer value). Investors can also set up the length of time the Regular Income Payment is to be made as well as the payment frequency.
- **Delayed access with a Regular Income Payment arrangement** where funds will be periodically paid to the transfer recipient on a regular basis (either as a fixed dollar amount or percentage of the investment transfer value) which commences from the nominated delayed access date.

Where access to funds is delayed or a Regular Income Payment arrangement is in place, investors can choose to appoint a **Co-Signatory** to authorise one-off and regular withdrawal requests made by the transfer recipient. Investors can nominate up to three individuals aged 18 years or above to act as Co-Signatories, or a company entity to act as the sole Co-Signatory. A transfer recipient can choose to suspend and restart a Regular Income Payment at any time.

Nominating beneficiaries

Individuals and joint investors can nominate beneficiary(ies) to receive tax-free death benefits. The nominated beneficiary(ies) can be individuals, trusts, charities or companies. Nominations are binding and can only be changed by the investor(s).

One or more beneficiaries can be nominated to receive the proceeds of the LifeBuilder investment tax-free upon the occurrence of the nominated life insured event, including the passing of the nominated life insured. The life insured must be a natural person but does not necessarily have to be the owner of the investment. The life insured does not need to be related to the investor or a dependant. A life insured cannot be removed, however, additional lives insured can be added to a LifeBuilder investment.

In the event multiple beneficiaries are nominated, and a beneficiary passes before the occurrence of the nominated life insured event, the deceased beneficiary's allocation will be re-distributed automatically to any surviving beneficiaries on a pro-rata basis under a joint survivorship arrangement.

Investors can alternatively elect to allocate the proceeds from the original specified beneficiary to pass down-the-line (for example, to the nominated beneficiary's estate representative).

Passing on to the estate

Investors can elect to instead pass on death benefits or transfer ownership to their estate. To pass on death benefits to the estate on their passing, the investor must also be the nominated life insured. On the passing of the investor, tax-free proceeds will be paid to the investor's estate, provided the Future Event transfer facility or Beneficiary nomination facility have not been selected.

Investors can choose to part allocate a percentage of the death benefit payments under the Beneficiary nomination facility with the balance paid to the estate. Transfer of ownership to the estate of the investor is also possible where the investor is not a nominated life insured.



EstatePlanner in action – examples of how to set up desired estate planning outcomes



Desired outcome

Transfer ownership to a child on his/her 25th birthday.

How to set up

- Choose the Future Event transfer facility.
- Select future transfer on nominated future date option.
- Nominate the child and provide details.
- Nominate future date of transfer (i.e. child's 25th birthday).

Desired outcome

Transfer ownership to a child on their 16th birthday. Should the owner pass away before the child's 16th birthday, the investment is to be held on behalf of, and for the benefit of the child by a third party (not the owner's estate) until the child is old enough to take ownership in their own right.

How to set up

- Choose the Future Event transfer facility.
- Select future transfer on nominated future date option.
- Nominate the child and provide details.
- Nominate future date of transfer (i.e. child's 16th birthday).
- Nominate at least one Account Guardian (via a separate Account Guardian form).

Desired outcome

Transfer ownership on the earlier of a child's 20th birthday or the owner's death with a full restriction on accessing funds until the child turns 21.

How to set up

- Choose the Future Event transfer facility.
- Select future transfer on nominated future date option.
- Nominate the child and provide details.
- Nominate future date of transfer (i.e. child's 20th birthday).
- Select option to transfer on the earlier of the death of the account owner(s) or the nominated future date.
- Select the option to restrict access to funds and nominate the child's 21st birthday as the date when the child can access funds.

Desired outcome

Transfer ownership to an adult child on the death of the owner. Limit the adult child's access to funds by setting up a regular payment that starts on transfer of ownership with the flexibility for the adult child to potentially make withdrawals for unforeseen circumstances.

How to set up

- Choose the Future Event transfer facility.
- Select death of the account owner(s) as transfer event/date.
- Nominate the child and provide details.
- Select the option to restrict access to funds.
- Establish a future Regular Income Payment arrangement
- Nominate the payment frequency and regular payment amount either as a fixed dollar (minimum of \$100) or percentage of the investment balance on transfer.
- Nominate at least one Co-Signatory to authorise withdrawal requests made by the child (via a separate Co-Signatory form).

EstatePlanner in action – examples of how to set up desired estate planning outcomes

Desired outcome

Nominate four children as beneficiaries with each to receive an equal share of the death benefit proceeds (25% each). If one of the children were to pass away prior to the nominated life insured's death, the death benefit proceeds will be automatically re-distributed pro-rata amongst the remaining beneficiaries.

How to set up

- Choose the Beneficiary nomination feature.
- Nominate the four children as beneficiaries and provide details of each.
- Allocate the percentage that each child is to receive.
- Select the Joint Survivorship option.

Desired outcome

Nominate two children as beneficiaries with each to receive an equal share of the death benefit proceeds (25% each) and the balance (50%) to go to the owner's estate.

How to set up

- Choose the Beneficiary nomination feature.
- Nominate the two children as the beneficiaries and provide details of each.
- Allocate the relevant percentage that each child is to receive (the estate will receive the balance of the death benefit proceeds).



About Generation Life

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

As the pioneer of Australia's first truly flexible investment bond, we have been at the forefront of providing innovative tax-effective investment solutions since 2004. Today, we are a leading specialist provider of Tax Optimised investment, succession planning, intergenerational wealth transfer, estate planning and retirement income solutions – with over \$4 billion invested with us to date. Generation Life is a regulated life insurance company, which is part of the Australian Securities Exchange listed Generation Development Group Limited group of companies comprising a number of diversified financial services related businesses.

Our focus and commitment is to provide Australians with market-leading tax-effective and flexible investment solutions to meet both personal and financial goals.

Generation Life investment bonds are investment-linked life insurance contracts governed under the Life Insurance Act 1995 and the Corporations Act 2001. The investment bonds operate under rules that are approved by the Australian Prudential Regulation Authority (APRA) in Australia. Investment bonds follow legislated tax rules administered by the Australian Tax Office that set out how they are taxed and when tax, if any, is payable.

To find out more about Generation Life's leading estate planning and investment solutions to help you with wealth accumulation and estate planning, please talk to your financial adviser or contact us.



Outthinking today.

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