generation life

Case study

The income-focused retiree

LifeIncome | Investment-linked lifetime annuity

Did you know that you can potentially qualify for or bring forward the age of access to the Age Pension and ancillary benefits?

Meet Susan...

Susan is 66 years old, single and a homeowner.

$750,000
Superannuation balance

$90,000
Savings

$10,000
Personal assets

Susan's objectives

- ✓ Wants to be proactive and access the Age Pension sooner to maintain her desired lifestyle
- ✓ Wants certainty that she won't run out of money
- ✓ Doesn't want to solely rely on the Age Pension

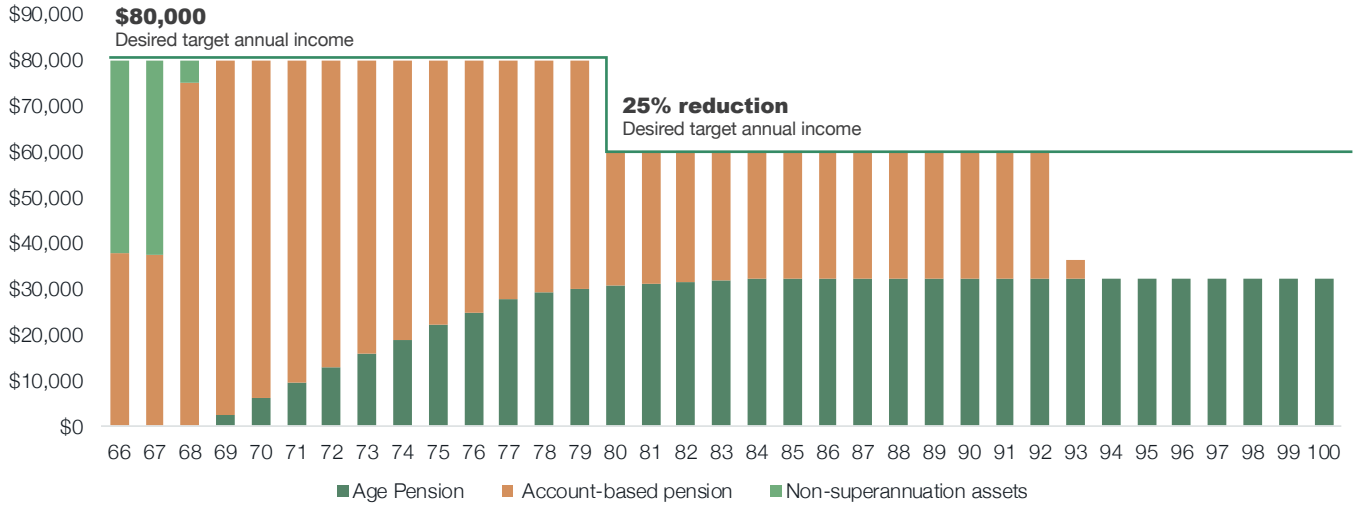


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Outthinking today.

Susan's current situation

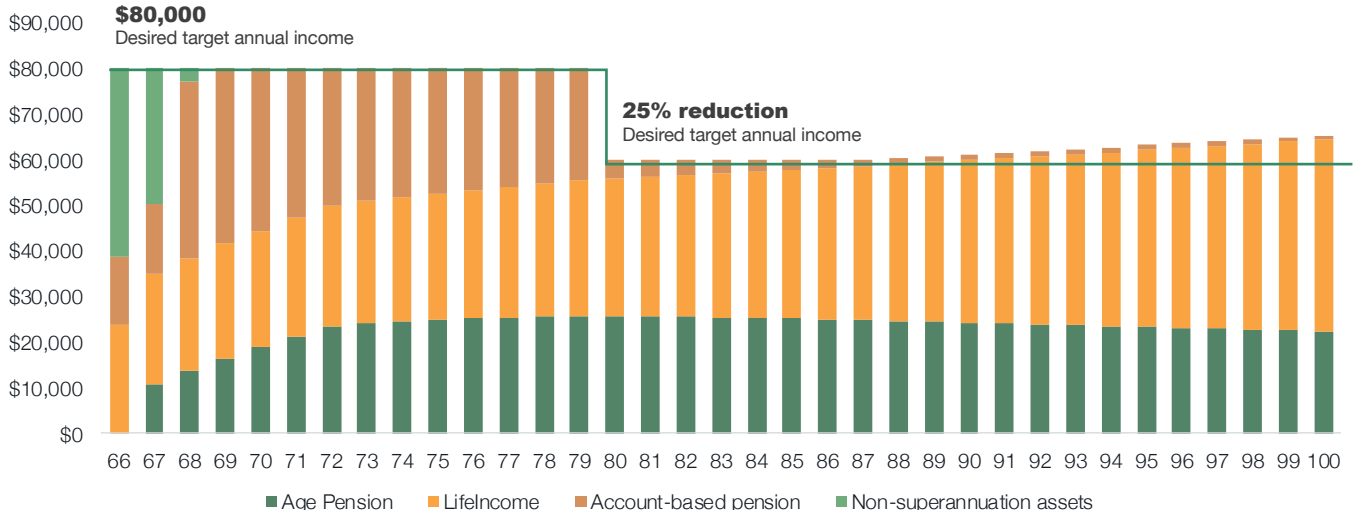
If she commences an account-based pension with her superannuation, Susan will only have access to the Age Pension, and the ancillary benefits of the Age Pension, from age 70. Her account-based pension will run out after age 93 and she will be solely dependent on the Age Pension.



Susan's outcome

Susan speaks to her financial adviser and invests $450,000 of her superannuation balance into LifeIncome and a FuneralBond of $16,250.

Susan is now able to maintain her desired income target and almost double her income in later years. She is also able to add an additional layer of income guaranteed for life from LifeIncome and never have to rely on the Age Pension alone.



Age 67
Immediate access to Age Pension and ancillary benefits

$103,216
Uplift in cumulative Age Pension by age 75

$542,936
Additional cumulative income by age 100 (including Age Pension)

$5,490
Account-based pension balance at age 100

$77,395
Additional cumulative income above desired income target

12 years
Payback period of investment into LifeIncome[1]

Planning ahead...

Access more of the Age Pension, sooner

Australians often apply for the Age Pension well after the time they become eligible, on average about 2.3 years after.[2] It is estimated that single retirees are losing an average of $37,000 in Age Pension entitlements due to delays in applying for the Age Pension while couples are estimated to lose close to $60,000.[2]

Generation Life's LifeIncome is defined as an 'asset-tested income stream (lifetime)' product for social security purposes and provides the potential to access some or more of the Age Pension and ancillary benefits such as discounted council rates and cheaper medicine under the Pharmaceutical Benefits Scheme.

Centrelink and the Department of Veterans' Affairs entitlements are determined using two 'means' tests: an assets test and an income test.

Means tested asset value	Under the assets test, only 60% of your investment amount is assessed. From age 85, subject to a minimum of 5 years from the date of investment, only 30% is assessed.
Means tested income	Only 60% of your LifeIncome annual income is assessed under the income test.

Generation Life's FuneralBond is exempt (up to certain limits) from the social security assets test and deeming provisions for the income test that applies to the Age Pension, Service Pension and other means-tested government entitlements. This means there's also the potential to improve pension benefits during your lifetime or to reduce aged care costs.



LifeIncome

Investment-linked lifetime annuity

LifeIncome, our investment-linked lifetime annuity, delivers more income, more certainty, more flexibility and more choice to help meet retirement goals. LifeIncome provides regular income for life that's linked to the performance of your chosen investment option(s), which you can switch between when needed[3]. LifeIncome also provides the ability to receive income earlier, often when needed most.

It is designed for investors to make allocations that aim to be optimal for them to reach their goals, such as the level of regular income in retirement and complement other retirement solutions such as an account-based pension. LifeIncome can also assist with boosting Age Pension entitlements through social security asset and income test concessions.

8 key features of LifeIncome

Investment-linked lifetime annuity
Immediate single or reversionary annuity that delivers income for life

Investment choice
26 options across major asset classes with the ability to switch at anytime[3]

ConfidencePlus
Gain added certainty by protecting your income from market downturns while allowing unlimited income growth

More income sooner
Features like LifeBooster and LifeIncome Flex can help you enjoy more income in your early years of retirement

0% tax environment
Investment earnings are tax-free - there are tax benefits on income payments too

Death Benefit / Withdrawal Benefit
Available during Death Benefit Period / Withdrawal Period

Reversionary Beneficiary
Money available to support your spouse or loved one[4] between ages of 50 and 95

Dollar-cost averaging
Progressively invest into your chosen investment option(s) over a period of up to 12 months[5]

About Generation Life

Generation Life, a wholly owned subsidiary of Generation Development Group (ASX:GDG), is a life company registered under the Life Insurance Act 1995 (Cth). As the pioneer of Australia's first truly flexible investment bond since 2004, we have been at the forefront of providing innovative tax-effective investment solutions. We are proud to be shaping the retirement income landscape with our latest innovation, LifeIncome.

Generation Life is regulated by the Australian Prudential Regulation Authority ('APRA') and as such, we are required to hold a minimum amount of capital, determined by APRA, to ensure we can meet the payment obligations we have to our clients. APRA is the same independent statutory authority that supervises banks.

If you're a financial adviser...

We can run technical strategies and client scenarios to help you assist your clients to achieve their retirement and legacy goals.

Do you have client scenarios in mind?

Our specialist team is here to help. Contact one of our Technical team members at **technical@genlife.com.au** about running client scenarios for you today.

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Outthinking today.

Contact details

Investor services
1800 806 362

Adviser services
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Enquiries
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Footnotes

1. The 'payback period' is the estimated time for the return of your investment in the form of cumulative income, as well as any increase in Age Pension which you may receive as a result of investing into LifeIncome and FuneralBond.
2. Source: The most expensive mistake retirees can make, SuperEd, published 2015
3. Brief exclusion period applies – refer to the Product Disclosure Statement
4. If you are commencing LifeIncome with superannuation money, you can only nominate your spouse to receive your income after you pass away. If you are commencing LifeIncome with non-superannuation money you can nominate your spouse or any other person such as your child or sibling.
5. Dollar-cost averaging is not available where you choose the ConfidencePlus feature.

Assumptions for Susan's retirement income illustrations

Based on a LifeIncome policy for Susan allocating 60% of her superannuation to LifeIncome with a LifeBooster 2.5% rate. Her remaining superannuation balance is used to commence an account-based pension, drawing income to meet her desired income target. Annual income illustrations are shown in real dollars. Cumulative income figures are shown in nominal dollars. Estimated fees, expenses and costs of 0.5% p.a. for the account-based pension and 1.17% p.a. for LifeIncome. Fees on LifeIncome are a percentage of the annual income. There are no fees on income from LifeIncome in the first financial year you commence LifeIncome. Assumed investment returns of superannuation assets are 8% p.a., non-superannuation assets at 3% p.a. and inflation of 2.5% p.a. No adviser fees have been charged and social security rates and thresholds are valid as at 20/09/2026.

Disclaimer

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