

# ANNUITY TAX GUIDE 2018

**ANNUITY TAX GUIDE TO HELP YOU  
COMPLETE YOUR 2017-2018 TAX RETURN**

Issue date: July 2018

**Comm**insure



# Annuity Tax Guide 2018

**This guide will help you to complete your 2017–2018 tax return if you received annuity income relating to your investment(s) in Lifestream Guaranteed Income, Guaranteed Index Tracked Annuity (GITA), Income Plan or, IncomeSelect or Tailored Annuity Plan.**

**To use this guide, you will need:**

- Your PAYG payment summary and the payment summaries from any other income sources;
- A copy of the Tax return for individuals 2018, and
- A copy of the Individual tax return instructions 2018.

**You may wish to give this guide to your accountant or tax agent.**

Unless otherwise stated, information in this tax guide is current as at 1 July 2018.

**Please refer to the Tax return for individuals 2018 and follow the instructions below for items 7 and T2.**

**Item – 7**

**Australian annuities and superannuation income streams**

This will assist you with completing item 7 of the 2018 tax return relating to super and non-super annuities.

### Action

Add up the 'tax withheld' amounts on your payment summaries for your superannuation income streams and annuities.

Write the **total** in the left hand column under Tax withheld at item 7.

### Australian superannuation income streams

It is important to understand whether your superannuation income stream is a capped defined benefit income stream (CDBIS) or not. If it is a CDBIS, you will be advised of this in the cover letter attached to your payment summary. If you are unsure whether your annuity is a CDBIS, please contact us. If you hold other superannuation income streams, please contact that superannuation provider for classification.

### Non-capped defined benefit income stream

Add up the taxed element amounts that appear under the heading 'Taxable component' on your superannuation income stream payment summaries.

Write the total in box **J** at item 7.

Note: CommInsure super annuities will only have the 'Taxable component – taxed elements' to declare as assessable income.

### Capped defined benefit income stream

There are a number of steps required for a CDBIS to determine the amount to include in your assessable income:

**Step 1:** Add up the taxed element that appear under the heading 'Taxable component' and tax free component on your superannuation income stream payment summaries.

**Step 2:** Subtract from this amount your defined benefit income cap. Typically this amount is \$100,000 but can vary. If you are unsure what your defined benefit income cap is, please refer to <https://www.ato.gov.au/Calculators-and-tools/Defined-benefit-income-cap-tool/>.

**Step 3:** If the amount after step 2 is negative, do not include any amount in your income tax return. If the amount after step 2 is positive, divide this amount by two.

**Step 4:** After dividing the amount by two, write the total in box **M** at item 7.

### Australian non-super annuities

Work out the assessable amount of your Australian non-super annuity by subtracting the 'deductible amount of the undeducted purchase price of an annuity' from the 'gross payments' shown on your payment summary.

If you have more than one non-super annuity, add all the assessable amounts together and subtract all the "deductible amount of the undeducted purchase price of an annuity" from the payment summaries.

Write the total in box **N** at item 7.

### Things you should know

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Taxation considerations are general and based on present taxation laws and maybe subject to change. You should seek independent, professional tax advice before making any decision based on this information.

CMLA is also not a registered tax (financial) adviser under the Tax Agent Services Act 2009. You should seek tax advice from a registered tax (financial) adviser if you intend to rely on this information, to satisfy the liabilities or claim entitlements that arise, or could arise, under a taxation law.





Australian Government  
Australian Taxation Office

## PAYG payment summary – superannuation income stream



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You must complete all sections of this form. For help completing this form, visit our website at [ato.gov.au/paymentsummaries](http://ato.gov.au/paymentsummaries)

Payment summary for year ending 30 June

If you are amending a payment summary you have already sent, place X in this box

### Section A: Payee details

Tax file number

Surname or family name

Given name(s)

Residential address

Suburb/town/locality

State/territory

Postcode

Date of birth (if known) Day  / Month  / Year

### Death benefit (Reversionary income stream)

Is the payee under 60 years of age and a death benefits dependant, where the deceased died at 60 years or over?

Yes  No

ATO original

### Section B: Payment details

Period during which payments were made Day  / Month  / Year   to Day  / Month  / Year

TOTAL TAX WITHHELD \$

### Taxable component

Taxed element \$

Untaxed element \$

### Lump sum in arrears – taxable component

Taxed element \$

Untaxed element \$

Tax-free component \$

Tax offset amount \$

### Section C: Payer details

**!** You must

Name (use the same name that

Privacy – For information about

DECLARATION – I declare that

Signature of authorised person

NAT 70987-07-2017



Australian Government  
Australian Taxation Office

## PAYG payment summary – individual non-business



00460117

You must complete all sections of this form.

For help completing this form, visit our website at [ato.gov.au/paymentsummaries](http://ato.gov.au/paymentsummaries)

Payment summary for year ending 30 June

If you are amending a payment summary you have already sent, place X in this box.

### Section A: Payee details

Tax file number

Date of birth (if known) Day  / Month  / Year

Surname or family name

Given name/s

Residential address

Suburb/town/locality

State/territory

Postcode

### Section B: Payment details

Period during which payments were made Day  / Month  / Year   to Day  / Month  / Year

TOTAL TAX WITHHELD \$

GROSS PAYMENTS (do not include amounts shown under 'Allowances', 'Lump sum payments', 'CDEP payments' and 'Exempt foreign employment income') \$

Community Development Employment Projects (CDEP) payments \$

Reportable employer superannuation contributions (do not include compulsory super guarantee amounts. For more information, see the back page of this form.) \$

Reportable fringe benefits amount \$

Is the employer exempt from FBT under section 57A of the FBTA 1986? No  Yes

Deductible amount of the undeducted purchase price of an annuity \$

Gross payments type

Lump sum A \$

Lump sum B \$

Lump sum D \$

Lump sum E \$

Exempt foreign employment income

Amount \$

Allowances (provide details)





Australian Government  
Australian Taxation Office

# PAYG payment summary – superannuation income stream



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You must complete all sections of this form. For help completing this form, visit our website at [ato.gov.au/paymentsummaries](http://ato.gov.au/paymentsummaries)

Payment summary for year ending 30 June

If you are **amending a payment summary** you have already sent, place X in this box

## Section A: Payee details

Tax file number

Surname or family name

Given name(s)

Residential address

Suburb/town/locality

State/territory

Postcode

Date of birth (if known)

/   /

### Death benefit (Reversionary income stream)

Is the payee under 60 years of age and a death benefits dependant, where the deceased died at 60 years or over?

Yes  No

## Section B: Payment details

Period during which payments were made   /   /    to   /   /

TOTAL TAX WITHHELD \$   ,    ,

### Taxable component

Taxed element \$   ,    ,

Untaxed element \$   ,    ,

### Tax-free component

\$   ,    ,

Tax offset amount \$

### Lump sum in arrears – taxable component

Taxed element \$   ,    ,

Untaxed element \$   ,    ,

### Lump sum in arrears – tax-free component

\$   ,    ,

ATO original

## Section C: Payer details

**!** You must also complete this section

Australian business number (ABN) or withholding payer number (WPN)

Branch number

Name (use the same name that appears on your activity statement)

Privacy – For information about your privacy visit our website at [ato.gov.au/privacy](http://ato.gov.au/privacy)

DECLARATION – I declare that the information given on this form is complete and correct.

Signature of authorised person

Date

/   /

