

Total Care Plan Super – September 2008 update

Notification of changes to the treatment of taxable component of TPD benefits

This update should be read together with the Total Care Plan Super Product Disclosure Statement (PDS) preparation date 3 March 2008. This update provides general information only about tax implications. As your individual circumstances may be quite different, you should discuss any tax issues with your tax adviser. All taxation information is based on the continuance of taxation laws and their interpretation that were current as at 1 July 2008.

Background

The Australian Taxation Office has released the indexed tax thresholds that will apply from **1 July 2008** for the 2008/09 year. The tax-free threshold, for which a 0% (for taxed element) tax rate applies, has changed from \$140,000 to \$145,000 for persons aged 55 to 59.

Update to the information in the PDS

Effective from 1 July 2008, the information on page 14 of the PDS headed '**Total and Permanent Disability (TPD) benefits**' is updated as follows:

Total and Permanent Disability (TPD) benefits

A TPD benefit comprises a 'tax free' component and a 'taxable' component.

The apportionment of final benefits into tax free and taxable components is determined by formulae in the tax laws which have regard for individual factors including period of Fund membership and age at date of disability.

Benefit recipient's age	Treatment of taxable component
Under age 55	Taxed at 20% plus Medicare levy of 1.5%
Age 55 to 59	<ul style="list-style-type: none">• First \$145,000* is tax free• Remainder taxed at 15% plus Medicare levy of 1.5%
Age 60+	Tax free

* Indexed in line with Average Weekly Ordinary Times Earnings (AWOTE) in increments of \$5,000.

Please note: Different tax rates may apply where a member has not provided his or her Tax File Number.

Should you have any questions, please contact your financial adviser or one of our Customer Service Consultants on **13 10 56** between the hours of 8 am and 8 pm (Sydney time), Monday to Friday.

Important information

Issued by Colonial Mutual Superannuation Pty Ltd ABN 56 006 831 983, trustee of the Colonial Super Retirement Fund ABN 40 328 908 469 ('the Fund'). The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035 (CMLA) is responsible for the administration of the Fund and provides insurance benefits to the Fund. CommInsure is a registered business name of CMLA.

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