

Thank you for requesting this Product Disclosure Statement from Funds Focus.

How to Apply

Please have a read through the PDS and if you would like to invest the application pages can generally be found towards the back of the document. You will only need to send the application section back with a cheque/direct debit payable direct to the investment company (not ourselves). You should take note of any minimum investment amounts that may apply and proof of ID that is now required for the new Anti-Money Laundering regulations.

Then mail the completed application directly to us.

We will then check to ensure your form is completed correctly before forwarding your document on to the investment provider on your behalf.

Wealth Focus Pty Ltd
Reply Paid 760
Manly
NSW 1655

Please note that we are unable to track applications mailed directly to the product provider and therefore cannot guarantee that your discounts have been applied in these instances.

Should you wish to take advantage of our free annual valuation and tax report for all your investments you should complete our broker nomination form for The Wealth Focus Investment Service.

Regards

Suliaman Ravell
Managing Director



Requirements for verifying your identity under the new Anti Money Laundering (AML)/Counter Terrorism Financing (CTF) Act

The AML/CTF Act came into effect on the 12th December 2007. All financial planning and fund management companies are now required to collect, verify and store specific customer information before arranging investment services for a client. It is designed to prevent, detect and protect Australian business from money laundering and the financing of terrorist activities.

As such, we request that all new applications are sent with 'certified documentation'.

We have found that the easiest way to provide the required documentation is to have a copy of your driving licence *or* passport certified by Australia Post or a Justice of the Peace (please see following page for a full list of individuals that can certify documentation).

Once this has been completed, under the current requirements we will not require you to send identification again.

What you need to do

You will need to enclose a certified piece of photographic evidence or one piece of primary non-photographic evidence and one piece of secondary evidence (please refer to the Identification Form for document requirements), with your application form and post to us at the following address

Wealth Focus Pty Ltd

Reply Paid 760

Manly

NSW 1655

Please do not send us original driving licences or passports as these can very easily get lost in the post. Copies of documents can be certified by an authorised individual, they will need to sight and verify that the copy is a 'certified true copy', sign, date, print their name and list their qualification.

**ANTI-MONEY LAUNDERING REQUIREMENT FOR NEW APPLICATIONS
IDENTIFICATION FORM A**

GUIDE TO COMPLETING THIS FORM

- Please contact us on 1300 55 98 69 if you have any queries.
- If you wish to apply in the name of a trust or company, please contact us for an alternative identification form.
SMSF's and retail superannuation applications do not need to provide ID (an online check will be performed for SMSFs)

Attach a certified copy of the ID documentation used as proof of identity. ID enclosed should verify your full name; and **EITHER** your date of birth or residential address.

- Complete Part I (or if the individual does not own a document from Part I, then complete either Part II or III.)

PART I – ACCEPTABLE PRIMARY ID DOCUMENTS

| | |
|--------------------------|--|
| | Select ONE valid option from this section only |
| <input type="checkbox"/> | Australian State / Territory driver's licence containing a photograph of the person |
| <input type="checkbox"/> | Australian passport (a passport that has expired within the preceding 2 years is acceptable) |
| <input type="checkbox"/> | Card issued under a State or Territory for the purpose of proving a person's age containing a photograph of the person |
| <input type="checkbox"/> | Foreign passport or similar travel document containing a photograph and the signature of the person* |

PART II – ACCEPTABLE SECONDARY ID DOCUMENTS – should only be completed if the individual does not own a document from Part I

| | |
|--------------------------|--|
| | Select ONE valid option from this section |
| <input type="checkbox"/> | Australian birth certificate |
| <input type="checkbox"/> | Australian citizenship certificate |
| <input type="checkbox"/> | Pension card issued by Centrelink |
| <input type="checkbox"/> | Health card issued by Centrelink |
| | AND ONE valid option from this section |
| <input type="checkbox"/> | A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address |
| <input type="checkbox"/> | A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. <i>Block out the TFN before scanning, copying or storing this document.</i> |
| <input type="checkbox"/> | A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address) |
| <input type="checkbox"/> | If under the age of 18, a notice that: was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school |

Who can verify customer identity documents?

Please find below a list of all the Approved Individuals that can certify documents:

- **A Justice of the Peace**
- **An agent of the Australian Postal Corporation** who is in charge of an office supplying postal services to the public, or a permanent employee with more than two years continuous service (who is employed in an office supplying postal services to the public)
- A notary public (for the purposes of the Statutory Declaration Regulations 1993)
- A person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described)
- A judge, magistrate, registrar or deputy registrar of a court
- A chief executive officer of a Commonwealth Court
- A police officer
- An Australian consular or diplomatic officer (within the meaning of the Consular Fees Act 1955)
- An officer or finance company officer with two or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993)
- An officer with, or authorised representative of, a holder of an Australian Financial Services Licence, having two or more continuous years of service with one or more licensees, and
- A member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with more than two years continuous membership.

Challenger Guaranteed Income Plan (Liquid Lifetime)

Product Disclosure Statement (PDS)

Dated 20 August 2010

Challenger Guaranteed Income Plan
(SPIN CHG0003AU)

Issuer

Challenger Life Company Limited
(ABN 44 072 486 938)
(AFSL 234670)



About this Product Disclosure Statement (PDS)

This document provides information to help investors and their advisers assess the merits of investing in the Challenger Guaranteed Income Plan (**the Plan**) and to compare this Plan with other investment opportunities on offer. We strongly encourage you to read this document in full before making an investment decision.

In preparing this PDS we did not take into account your particular investment objectives, financial situation or needs. As investors' needs and aspirations differ, you should consider whether investing in the Plan is appropriate for you in light of your particular needs, objectives and financial circumstances. You may also wish to obtain independent advice, particularly about such individual matters as taxation, retirement planning and investment risk tolerance.

The information in this PDS is up to date at the time of preparation. However, some information can change from time to time. If a change is considered materially adverse, we will issue a supplementary or replacement PDS. For updated or other information about the Plan, please consult your financial planner, call our Investor Services team on 13 35 66 or visit our website, www.challenger.com.au. We will also send you a copy of any updated information free of charge upon request.

Important notices

This PDS relating to the Challenger Guaranteed Income Plan is dated 20 August 2010.

Challenger Guaranteed Income Plan is issued by Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) (**Challenger**, also referred to as we, us, our), who is also the issuer of this PDS. Challenger's ultimate parent is Challenger Financial Services Group Limited (ABN 85 106 842 371) (the **Challenger Group**). Neither the Challenger Group nor any other company within the Challenger Group guarantees the performance of Challenger's obligations to customers, or assumes any liability to customers in connection with the Plan.

The Plan will be issued only on receipt of an application form issued together with this PDS and the receipt of cleared funds. Where the Corporations Act 2001 (Cth) (Corporations Act) does not require an application form issued together with this PDS to be used, applications must be made in a form approved by Challenger. The offer or invitation to invest in the Plan under this PDS is only available to persons receiving this PDS in Australia and is subject to the terms and conditions described in this PDS and Policy Document. We reserve the right to withdraw the offer or invitation to invest in the Plan and withdraw this PDS.

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Contact details

| | |
|---------------------|---|
| By email | info@challenger.com.au |
| By telephone | Investor Services team 13 35 66 Adviser Services team 1800 621 009 |
| By mail | Challenger Life Company Limited Reply Paid 3698 Sydney NSW 2001 |
| By fax | 02 9994 7777 |

Glossary

| Term | Explanation |
|------------------------------|---|
| Benefit Reduction Option | The option to reduce the level of income and withdrawal benefit payable to the Reversionary Annuitant or surviving policy owner upon your death (see page 6 for further information) |
| capital | The amount used to purchase an annuity |
| commutation | The process of converting a pension or annuity into a lump sum; for taxation purposes, if the lump sum exceeds the amount that represents a return of capital, the excess amount may be treated as income (e.g. for commutations of Plans purchased with Private monies where the commutation value exceeds the reduced purchase price) |
| guarantee | A promise by us to pay various amounts to you as referred to in this PDS |
| immediate annuity | A series of regular payments received for an agreed period of time in return for the payment of an amount of money |
| income payment frequency | The frequency of annuity payments that are made to an annuitant; either monthly, quarterly, half-yearly or yearly |
| initial income payments | The income payments you will receive in the first year of the Plan. These payments are the basis on which inflation protection (CPI) is applied (see page 6) |
| Life Insured | The person(s) on whose life the policy is based |
| policy | The policy consists of two parts: the Policy Document (which is included in this PDS) and the investor certificate, which will be sent to you when you invest in the Plan |
| Private monies | These are non-superannuation monies invested by an individual |
| purchase price | The capital amount, less any applicable tax (e.g. superannuation investments may be subject to contributions tax obligations), which is used to purchase the Plan |
| Residual Capital Value (RCV) | The amount (if any) of the purchase price that will be repaid to you at the maturity date |
| superannuation annuity | An annuity purchased with Superannuation monies that provides a tax-free income stream from age 60 (see page 18 for further information) |
| Superannuation monies | A lump sum benefit from a superannuation or rollover fund (including lump sum proceeds from another superannuation annuity) or a Directed Termination Payment from an employer |
| taxable component | The part of a superannuation benefit that is subject to income tax; the taxable component may contain a taxed and an untaxed element |
| Term | Your lifetime and, if selected, the lifetime of a second person |
| Withdrawal Benefit Period | The first 15 years of the Plan |

About Challenger Group



Challenger Financial Services Group Limited (Challenger) is an ASX-listed investment management firm established in 1985. Challenger is a leading provider of annuities and other guaranteed fixed income products, and offers a range of listed and unlisted financial products and services across other asset classes.

To find out more about Challenger, please talk to your financial adviser.

Features at a glance

The table below is a summary of the key features of the Plan and a guide to where more information can be found in this PDS.

| | |
|--|--|
| About the Plan | See page 5 |
| What type of investment is this? | An immediate lifetime annuity |
| Who offers the Plan? | Challenger Life Company Limited |
| Who can invest? | The Plan can be purchased by: <ul style="list-style-type: none"> • investors aged 60 and over with Superannuation monies; • investors aged 18 and over with Private monies; or • companies, trusts and superannuation funds |
| What are the benefits and risks of investing? | These are set out on page 11 |
| What is the investment term? | Lifetime |
| What Plan options are available? | <ul style="list-style-type: none"> • Benefit Reduction Option: Following your death you can choose for a reduced level of benefits to be paid to the surviving owner or Reversionary Annuitant (see page 6) • No Commutation Option: You can choose to remove the ability to commute the Plan (see page 7) |
| Inflation protection | Regular payments are indexed in line with the Consumer Price Index (CPI) (see page 6) |
| Withdrawal Guarantee | Within the first 15 years of the Plan (called the Withdrawal Benefit Period), the Plan has a commutation (withdrawal) value (see page 8) |
| Income payment frequency | Either monthly, quarterly, half-yearly or yearly |
| Income payment method | Paid to your nominated accessible account with an Australian bank or other financial institution |
| Fees | There are no separate fees or charges (other than a lost policy fee – see page 20); in declaring the initial income payments, we have already taken into consideration the expenses required to administer the Plan |
| Minimum investment | \$10,000 |
| Additional investments | You cannot add to your Plan once it commences; however, you can start a new Plan, providing the minimum investment requirements are met |
| Switching | It is not possible to switch between Plan options |
| Withdrawals | You may be able to withdraw your investment (called a ‘commutation’ see page 7); partial withdrawals are not available |

About the Plan

What type of investment is this?

Challenger Guaranteed Income Plan (Liquid Lifetime) is an immediate annuity that provides a guaranteed regular income for your lifetime and, if selected, the lifetime of a second person in exchange for an initial lump sum investment amount. It is designed to provide you with:

- a guaranteed income regardless of how long you live;
- income that indexes in line with the costs of living;
- a withdrawal value if you commute (withdraw) the Plan within the first 15 years.

Investors can purchase the Plan with certain Superannuation monies from, for example, a superannuation or rollover fund, or with Private monies. Joint investments can only be made in the case of Plans purchased with Private monies. For additional information on purchasing a Plan with Superannuation monies, see page 18. Companies, trusts and superannuation funds can also purchase the Plan, see page 19. The Plan has no Residual Capital Value.

How does the Plan work?

The Plan is a lifetime immediate annuity designed to give you the security of having income payments guaranteed for your lifetime and, if selected, the lifetime of a second person. Payments represent a combination of earnings and capital. The options available are:

- **Single Lifetime**
A lifetime income stream that provides payments for your lifetime no matter how long you may live.
- **Single Lifetime with Reversionary Annuitant**
A lifetime income stream that provides payments for your lifetime no matter how long you may live. On your death, ownership of the policy will pass to the Reversionary Annuitant, if they are still alive, and payments continue for their lifetime. A Reversionary Annuitant can only be selected when you start your Plan and once selected cannot be changed (although you can revoke your nomination).

For Plans purchased with Superannuation monies, only your spouse (as defined by the relevant legislation) who lives with you in a marriage-like relationship can be a Reversionary Annuitant.

- **Joint Lifetime (Private monies only)**

A Joint Lifetime income stream provides income for your lifetime and the lifetime of a second person, so that income payments will continue to be paid as long as one of you is still alive. Once your Plan commences, the owners cannot change.

The Joint Lifetime option provides you with the flexibility to choose how income payments are to be made (e.g. 50% to you and 50% to your spouse, 70% to you and 30% to your spouse, etc); however, once selected the income split cannot be changed. A maximum split of 95% to you and 5% to the other policy owner (or vice versa) applies. Splitting your income in this way may allow you to take advantage of tax-effective income splitting strategies. We recommend that you consult your financial planner or tax adviser, particularly in relation to the possible effect income splitting may have on Centrelink or Department of Veterans' Affairs entitlements.

| | Lifetime Annuity |
|---|---|
| What is the suggested investor profile? | Investors seeking a guaranteed income stream that provides longevity protection |
| Investment term | Your lifetime and, if selected, the lifetime of a second person |
| How often can you receive income payments? | Either monthly, quarterly, half-yearly or yearly |
| Inflation protection | Regular payments are indexed each year in line with the Consumer Price Index (CPI) (see page 6) |

What will be your regular payment amount?

The amount of your regular payments will be determined at the time of your application and is guaranteed by us for your lifetime and, if selected, the lifetime of a second person. For Plans purchased with Private monies, the regular payments that you receive will be net of any Pay As You Go (PAYG) tax that applies to you. For Plans purchased with Superannuation monies, the regular payments that you receive will be tax free. See page 22 for more details about tax.

Your financial planner can provide you with the initial income payments on offer based on your particular circumstances. The initial income payments you receive will be shown on a valid quotation included with your completed application form and payment of the full amount of your investment. If a valid quotation is not included with your application form and investment monies, you will receive the initial income payments applicable on the day your application and investment monies are received by us. See page 7 for further information about how to obtain a quotation.

All income payments are made in arrears on the income payment frequency anniversary date and will be credited to your nominated accessible account with an Australian bank or other financial institution. Cheque payments are not available.

If we do not receive all required identity verification documents (refer to page 16) at the time of application, we may suspend your income payments until these documents are received.

Inflation protection (indexation)

Regular payments are indexed at a rate in line with the Consumer Price Index (CPI)¹.

The annual change in line with the CPI will first be applied to the payment following the first anniversary of the commencement of your Plan. For example, if the change in the CPI is 3%, a Plan with initial monthly payments

of \$1,000 will have payments increased by 3% from the 13th payment to \$1,030. Twelve monthly payments of \$1,030 will then be made. Similarly, if the change in the CPI was -3%, a Plan with initial monthly payments of \$1,000 will have payments decreased by 3% from the 13th payment to \$970. Twelve monthly payments of \$970 will then be made. The first payment after each policy anniversary will continue to be indexed in line with the CPI until the expiry of your Plan.

Guaranteed payment period

The Plan does not have a guaranteed payment period. Instead, the Plan has a lump sum withdrawal benefit that will be payable in the first 15 years of the Plan (see 'Withdrawal Guarantee' on page 8).

Benefit Reduction Option

Available to Joint Lifetime Plans and Single Lifetime Plans with a Reversionary Annuitant only.

You can select at the commencement of your Plan that in the event of your death a reduced level of benefits be paid to the surviving Joint Owner or Reversionary Annuitant. Benefits can be reduced by 25% or 50% to take into account any reduction in needs. Both income payments and the Withdrawal Guarantee benefit (see page 8) reduce by the selected reduction factor. For example, if you choose a 25% reduction and are receiving monthly income payments of \$1,000 prior to your death, then following your death monthly payments to the surviving Joint Owner or Reversionary Annuitant will reduce to \$750. If your Withdrawal Guarantee benefit was equal to 100%, then the Withdrawal Guarantee benefit available to the surviving owner or Reversionary Annuitant will reduce to 75%. Benefits do not reduce upon the death of the Reversionary Annuitant.

Choosing the Benefit Reduction Option will mean that you will get higher income payments from the commencement of your Plan, when compared to a Plan purchased without the Benefit Reduction Option.

¹The CPI is the weighted average of the Eight Capital Cities Index, as published by the Australian Statistician. The change, if any, will be equal to the CPI for the second-last complete quarter before the day on which the indexation change is to apply divided by the CPI for the same quarter of the immediately preceding year. We reserve the right to adjust the CPI applicable to your investments if there is a change in law which results in a material change to the CPI. We do not cap CPI changes. If the CPI decreases, payments will reduce. The index used to calculate the CPI can be changed at any time.

No Commutation Option

You can choose to remove the ability to be paid a commutation in circumstances other than death. This option is suitable for investors who want to provide a lifetime income stream while protecting the capital amount invested from early withdrawal. For example, a grandparent may want to provide a lifetime income stream to a child without allowing that child access to the capital amount invested.

Making an investment

To invest in the Plan, you must complete the application form attached to the back of this PDS. Send the signed and completed application form (including all relevant identity verification documentation), together with a cheque and Plan quotation, to the address provided on page 30 of this PDS. Cheques should be made payable to 'Challenger Life Company Limited <insert the name of the investor>' and crossed 'Not Negotiable'.

If your application form and monies are received in our Sydney office before 3pm Sydney time on a NSW business day (the cut-off time), your application will usually be processed on that day. If your application and monies are received after the cut-off time, or on a non-business day, your application will usually be processed on the next NSW business day.

Obligation-free Plan quotations

Contact your financial planner or our Investor Services team for a current, obligation-free quotation. Initial income payments are reviewed and updated regularly to reflect market conditions. Your quotation is valid for a period of seven days from the date shown on the quote unless you are advised otherwise.

Cooling-off right

By law, investors have a cooling-off right whereby they can change their mind about their investment in the Plan and ask for the purchase price to be repaid. If you bought the Plan with Superannuation monies, the purchase price will be returned to the rollover institution from which the monies were received.

The cooling-off right must be exercised within 14 days from the earlier of:

- when you receive confirmation of your investment; or

- the end of the fifth business day after the day on which your Plan was issued or sold to you.

If we have to pay any tax on the amount you paid for the Plan, we will deduct it from your refund.

If you wish to exercise your cooling-off right, we must receive your written instructions and Policy Document in our office before the expiry of the 14-day cooling-off period. If you have any questions about cooling-off rights, please contact your financial planner or our Investor Services team.

Can you make adjustments to your Plan once it has commenced?

You cannot make changes to your Plan once it commences.

Additional deposits cannot be made to your Plan once it has commenced. You can invest new deposits into a separate Plan, provided they meet the Plan's minimum investment requirements, by simply completing the application form attached to a current PDS. The amount of your new guaranteed regular income payments will be determined at the time of the new investment based on initial income payments available at that time.

The frequency of income payments cannot be changed once the Plan has commenced.

Withdrawing an investment

The term 'commutation' refers to the process of converting a pension or annuity into a lump sum. A Plan can only be terminated (commuted) within the Withdrawal Benefit Period (see 'Withdrawal Guarantee' on page 8). To commute your Plan, you must send us a written request. If you select the No Commutation Option (see above) the Plan can only be commuted upon your death or the death of the last Life Insured under the Plan.

We will provide a commutation value upon written request from you or your financial planner. The Plan only allows for a full commutation, and no partial commutations are permitted.

Please note that commutation of your Plan may have tax and social security implications, which depend on your individual circumstances, so we recommend you discuss these with your financial planner or tax adviser before deciding to commute your Plan. We will only pay

commuted investments to the policy owner or a financial institution account in the policy owner's name. We will not make payments to a third party.

If you die within the Withdrawal Benefit Period, a commutation is generally payable to your estate (see 'What happens in the event of your death?' on pages 12 to 13).

We will require the following information if you make a request for a commutation value:

- your account number;
- the full name(s) in which your investment is held;
- your current address details;
- a daytime telephone number.

Please ensure that the appropriate signatories sign all written withdrawal instructions, including those forwarded by fax.

If we do not receive all required identity verification documents (refer to page 16) at the time of application, we may not process your withdrawal request until these documents are received.

Withdrawal Guarantee

Within the first 15 years of the Plan (called the Withdrawal Benefit Period), the Plan has a commutation (withdrawal) value. You can choose to commute the Plan at any time during this period providing you have not chosen the No Commutation Option (see page 7).

The amount that we guarantee to pay you at the end of the 15-year period is determined by your age when you purchase the Plan:

| Age at commencement | Withdrawal Guarantee* (as a percentage of amount invested) | | |
|---------------------|--|--------|--|
| | Single Lifetime | | Joint Lifetime and Single Lifetime with a Reversionary |
| | Male | Female | |
| Less than 66 | 85% | 100% | 100% |
| 66-70 | 70% | 90% | 100% |
| 71-75 | 40% | 50% | 80% |
| 76-80 | 20% | 30% | 50% |
| 81 and above | 10% | 15% | 20% |

*At end of Withdrawal Benefit Period.

For Joint Lifetime Plans and Single Lifetime Plans with a Reversionary Annuitant, the oldest person's life is used for determining the Withdrawal Guarantee.

For example:

- If you are female and invest \$100,000 when you are age 65, if you decide to commute the Plan at the end of the 15-year Withdrawal Benefit Period, we guarantee to pay you a commutation of \$100,000 (100% Withdrawal Guarantee).
- If you invest \$100,000 when you are age 65 and select a Joint Life or Reversionary Annuitant who is age 71, and you decide to commute the Plan at the end of the 15-year Withdrawal Benefit Period, we guarantee to pay you a commutation of \$80,000 (80% Withdrawal Guarantee).

Outside of the 15-year Withdrawal Benefit Period, the Plan does not have a commutation value.

How is the commutation value calculated?

If you commute your Plan, you may receive back an amount less than you paid in, even after taking into account the payments that have been made to you. The commutation value may be subject to tax.

The commutation value will apply for Plans terminated within the Withdrawal Benefit Period, including when the Plan is commuted after the death of the annuitant(s).

The commutation value you will receive will depend on a number of factors such as:

- the number and amount of income payments remaining during the Withdrawal Benefit Period;
- the prevailing interest rates at the time of commutation; and
- the estimated cost to us of early withdrawal.

Our calculation of the commutation value will not be less than the minimum surrender value for this type of annuity imposed by the Life Insurance Act 1995 (the Act).

At the end of the Withdrawal Benefit Period, regular income payments continue for your lifetime and, if selected, the lifetime of a second person, and the Plan ceases to have a commutation value.

An example of how interest rates affect commutation values is shown in the table below:

Commutation value of \$100,000 investment

| Withdrawal Guarantee | 100% ¹ | | | 90% ² | | | 85% ³ | | | 70% ⁴ | | | |
|----------------------|-------------------------|-----------|-----------|------------------|-----------|-----------|------------------|-----------|-----------|------------------|----------|----------|----------|
| | Interest rate movement: | -1.50% | 0% | +1.50% | -1.50% | 0% | +1.50% | -1.50% | 0% | +1.50% | -1.50% | 0% | +1.50% |
| End of year: | 1 | \$100,956 | \$100,956 | \$87,552 | \$100,631 | \$100,631 | \$87,824 | \$100,371 | \$100,371 | \$87,485 | \$99,851 | \$99,851 | \$87,720 |
| | 2 | \$101,824 | \$101,824 | \$88,975 | \$101,141 | \$101,141 | \$88,894 | \$100,609 | \$100,609 | \$88,330 | \$99,519 | \$99,519 | \$88,021 |
| | 3 | \$102,597 | \$100,864 | \$88,884 | \$101,518 | \$100,128 | \$88,697 | \$100,702 | \$98,863 | \$87,511 | \$98,990 | \$97,438 | \$86,837 |
| | 4 | \$103,263 | \$100,034 | \$88,910 | \$101,749 | \$99,161 | \$88,543 | \$100,639 | \$97,235 | \$86,784 | \$98,248 | \$95,388 | \$85,662 |
| | 5 | \$103,812 | \$99,330 | \$89,058 | \$101,821 | \$98,234 | \$88,433 | \$100,404 | \$95,715 | \$86,144 | \$97,273 | \$93,354 | \$84,487 |
| | 6 | \$104,234 | \$98,753 | \$89,335 | \$101,719 | \$97,340 | \$88,365 | \$99,985 | \$94,293 | \$85,592 | \$96,049 | \$91,319 | \$83,300 |
| | 7 | \$104,516 | \$98,301 | \$89,748 | \$101,428 | \$96,475 | \$88,339 | \$99,365 | \$92,961 | \$85,125 | \$94,554 | \$89,266 | \$82,090 |
| | 8 | \$104,645 | \$97,978 | \$90,308 | \$100,930 | \$95,632 | \$88,357 | \$98,528 | \$91,712 | \$84,744 | \$92,767 | \$87,180 | \$80,845 |
| | 9 | \$104,608 | \$97,787 | \$91,030 | \$100,207 | \$94,807 | \$88,420 | \$97,214 | \$90,540 | \$84,453 | \$90,666 | \$85,042 | \$79,552 |
| | 10 | \$104,028 | \$97,736 | \$91,929 | \$99,242 | \$93,995 | \$88,530 | \$95,059 | \$89,442 | \$84,254 | \$87,847 | \$82,834 | \$78,199 |
| | 11 | \$102,811 | \$97,681 | \$92,885 | \$97,748 | \$92,954 | \$88,470 | \$92,896 | \$88,348 | \$84,095 | \$84,440 | \$80,426 | \$76,668 |
| | 12 | \$102,416 | \$98,445 | \$94,685 | \$96,261 | \$92,576 | \$89,085 | \$91,367 | \$87,873 | \$84,564 | \$81,460 | \$78,413 | \$75,525 |
| | 13 | \$101,827 | \$99,095 | \$96,474 | \$94,490 | \$91,973 | \$89,557 | \$89,556 | \$87,172 | \$84,884 | \$78,081 | \$76,028 | \$74,058 |
| | 14 | \$101,028 | \$99,619 | \$98,248 | \$92,412 | \$91,123 | \$89,869 | \$87,442 | \$86,223 | \$85,037 | \$74,273 | \$73,237 | \$72,229 |
| | 15 | \$100,000 | \$100,000 | \$100,000 | \$90,000 | \$90,000 | \$90,000 | \$85,000 | \$85,000 | \$85,000 | \$70,000 | \$70,000 | \$70,000 |

Important information about the commutation value illustration: After 15 years, the commutation value is nil. This table is indicative only and is based on investments made on 20 August 2010. CPI assumed to be 3%. The commutation value you receive will depend on your individual circumstances, including your sex, age and initial income payments at the time you purchased the Plan. Where the commutation value exceeds the reduced purchase price of your annuity, the commutation will be split in to a capital amount and an income payment amount. Interest rates can move by more or less than 1.5% and this will change the outcome of the commutation values shown. Regardless of interest rate movements, Challenger guarantees the withdrawal benefit at the end of the Withdrawal Benefit Period. A commutation illustration for other Withdrawal Guarantee percentages is available at www.challenger.com.au.

¹ Based on a 65 year old female

² Based on a 70 year old female

³ Based on a 65 year old male

⁴ Based on a 70 year old male

How the Plan’s investments are managed

Your money will be invested in our Statutory Fund No. 2. Both the Statutory Fund and Challenger are subject to supervision by the Australian Prudential Regulation Authority (APRA).

The Statutory Fund generally contains a range of investments that include bank bills, debt investments, convertible notes, shares, geared and ungeared property investments, infrastructure investments and other assets. The underlying investment objectives of the Statutory Fund include:

- achieving consistent returns from investments that ensure that the income offered to policyholders is earned; and
- matching the liability cash flows with cash flows receivable from the underlying assets.

In buying, retaining or selling underlying investments, we do not generally take into account labour standards or environmental, social or ethical considerations, although sometimes these matters do affect the economic factors upon which our decisions are based. We do not have a predetermined view as to what constitutes a labour standard or environmental, social or ethical consideration, as we will determine this on a case-by-case basis.

Changes to terms and conditions

The circumstances in which we may change the terms and conditions of your Plan are set out in your policy and include the following:

- We may adjust income as a result of changes to tax or other law.
- We may change the terms and conditions of your Plan to comply with any law, ruling or determination of the relevant government authorities.

We will notify you of any change before or as soon as practicable after the change but no later than 12 months after the change has occurred (or three months if the change is a material adverse change).

Information on your investment

What will you receive when your Plan starts?

Upon commencement of your Plan you will be sent an investor certificate which, together with the Policy Document contained in this PDS, sets out the terms and conditions of your Plan contract with us. We will also send you, if relevant, a Centrelink schedule for Social Security purposes. You should read these documents carefully and contact your financial planner or our Investor Services team if you have any questions.

Please keep the PDS (which incorporates your Policy Document) and investor certificate in a secure place, as they are important documents.

What regular information will you receive about your Plan?

Each year you will receive an annual statement with details of your Plan, including payments made over the period, and other relevant information relating to your Plan. If you purchased the Plan with Private monies, you will also be sent a PAYG payment summary and tax information which will assist you in completing your annual tax return.

Every six months we will also send you (and any joint owner or Reversionary Annuitant) a form to complete as regular evidence of survival. The form must be returned to us within 30 days of being sent to you. If evidence of survival is not provided to us, we reserve the right to discontinue any income payments and/or cancel the Plan.

Benefits and risks of investing

What are the benefits of investing in the Plan?

The significant benefits of investing in the Plan are as follows:

- Longevity protection – we guarantee the amount of all payments for your lifetime – regardless of investment market fluctuations or how long you live.
- Income payments change each year in line with the CPI, so income payments change in line with the costs of living.
- The Withdrawal Guarantee provides flexibility should your circumstances change and you need to commute (withdraw) the Plan (see page 8).
- If you die within the Withdrawal Guarantee Period and the Plan ends, a lump sum commutation (withdrawal) benefit will be paid to your estate.
- The Plan is a low maintenance investment, as you know the level of income you will receive.
- You don't have to pay any fees.
- For Plans purchased with Private monies, any PAYG tax payable on the income you earn from the Plan is deducted by us (see page 22).
- For Plans purchased with Superannuation monies, the income you earn from the Plan is tax free (see page 22).
- We are a registered life insurance company and are regulated by APRA under the provisions of the Life Insurance Act 1995 and by the Australian Securities and Investments Commission (ASIC). This provides your investment with an additional degree of protection.

What are the risks of investing in the Plan?

A degree of risk applies to all types of investments – including investments in the Plan.

As investing in the Plan involves exposing your investment to a range of risks, it is important that you understand:

- the risks involved in investing in the Plan;

- how these risks compare with the risks of other investments;
- how comfortable you are in exposing your investment to risk; and
- the extent to which this Plan fits into your overall financial plan.

Some risks associated with investing in the Plan, which you should consider, include the following:

- There is a risk of you dying before receiving back all of your investment. To reduce the impact of this risk, the Plan has a Withdrawal Guarantee. Please refer to page 8 for more information.
- If you withdraw (commute) the Plan, you may get back an amount less than the amount you invested, even after taking into account the payments that may have already been made to you. Please refer to page 8 for more information.
- Once your Plan commences, you cannot change the frequency of payments or the amount of income payments, even if your needs or circumstances change.
- Plans have no withdrawal (commutation) value after the Withdrawal Benefit Period.
- Investing in an annuity may affect your eligibility for a Social Security benefit issued by Centrelink or the Department of Veterans' Affairs. You should seek your own professional advice about this before investing to ensure that the Plan meets your personal financial and taxation needs.
- If you choose the No Commutation Option, the Plan cannot be commuted, even if your circumstances change.
- There is a risk that the assets of the Statutory Fund that support the Plan are insufficient to meet Challenger Life's obligations. Please note, however, that the way in which Challenger Life manages the Statutory Fund is governed by the statutory rules and regulations set by the Australian Prudential Regulation Authority (APRA).

What happens in the event of your death?

Death benefits and their taxation consequences can be complex. We recommend that you seek financial and taxation advice in respect of your own circumstances. The taxation comments in the table are limited to individual Australian investors only. If you are investing on behalf of a superannuation fund, trust or company or you are a non-resident investor, you should seek the advice of a tax adviser.

How are death benefits paid?

The table below shows the options available in the event of death:

| Plan type | Death benefit options | Taxation treatment |
|------------------------------------|---|---|
| Joint Lifetime | | |
| Within Withdrawal Benefit Period: | <p>Superannuation Plans: N/A</p> <p>Private money Plans: Plan ownership reverts to the surviving owner and continues for their lifetime. If both owners die, the Plan ceases and a lump sum (commutation)¹ is payable to the last surviving owner's estate.</p> <p>Superannuation fund, trust and company Plans: N/A</p> | <p>N/A</p> <p>Income payments are taxed at the surviving owner's marginal tax rate plus the Medicare levy. Payments made to an estate are taxable in the hands of the estate. The capital amount is tax free.</p> <p>N/A</p> |
| Outside Withdrawal Benefit Period: | <p>Superannuation Plans: N/A</p> <p>Private money Plans: Plan ownership reverts to the surviving owner and continues for their lifetime. If both owners die, the Plan ceases.</p> <p>Superannuation fund, trust and company Plans: N/A</p> | <p>N/A</p> <p>Income payments are taxed at the surviving owner's marginal tax rate plus the Medicare levy.</p> <p>N/A</p> |
| Single Lifetime | | |
| Within Withdrawal Benefit Period: | <p>Superannuation Plans: A lump sum (commutation)¹ is payable to your estate. The Plan then ceases.</p> <p>Private money Plans: A lump sum (commutation)¹ is payable to your estate. The Plan then ceases.</p> <p>Superannuation fund, trust and company Plans: A lump sum (commutation)¹ is payable to the policy owner. The Plan then ceases.</p> | <p>Payments are taxable in the hands of the estate. Generally, if the estate pays benefits to a tax dependant², benefits are tax free. If the estate pays benefits to a non-tax dependant, the taxable component of your plan will be subject to 15% tax plus the Medicare levy.</p> <p>Income payments are taxable in the hands of the estate. The capital amount is tax free.</p> <p>Superannuation fund, trust or company to seek own advice.</p> |
| Outside Withdrawal Benefit Period: | <p>Superannuation Plan: Plan ceases.</p> <p>Private money Plans: Plan ceases.</p> <p>Superannuation fund, trust and company Plans: Plan ceases.</p> | <p>N/A</p> <p>N/A</p> <p>N/A</p> |

Additional information

Privacy and personal information

We collect information primarily for the following purposes:

- to process your application;
- to administer your investment and provide you with reports; and
- to comply with our obligations under the law.

You can access, correct or update any personal information we hold about you or obtain a copy of our privacy policy by contacting our Investor Services team.

We also ask you for some personal details so that we and our related companies can keep in touch with you and tell you about our other products and services that might be useful to you. Please inform us in writing if you do not want us to send you marketing materials.

Disclosing your information

We disclose your information to your financial planner. In addition, we may disclose information we hold about you in the following circumstances:

- you consent to the disclosure;
- to companies that provide services on our behalf, for example, to companies that print and dispatch the statements or notices which we send to you;
- to Challenger Life's reinsurers;
- to related companies that may also provide you with a financial service or product; or
- if the disclosure is required or authorised by law.

What happens if you choose not to disclose the information?

Depending on the type of information affected, the following may apply:

- TFN or ABN: we may have to deduct tax at the highest rate before we pay income payments to you.
- Account details: we may not be able to pay income payments to you.

- Incomplete application: we may not be able to process your requested investment.
- Insufficient identity verification documents: we may not be able to process your investment or may withhold income payments or any commutation.

Keeping us informed

Our records about you are important. Please inform us in writing of any changes to the personal details that you have given us. This may be a new postal address or a change of name.

When requesting a change of personal details, please:

- quote your account number;
- state the full name in which your investment is held;
- clearly set out the changes you are requesting;
- provide us with a contact name and daytime telephone number;
- ensure that the request is properly signed.

Some changes also require additional supporting documentation (such as a change of name request, where we require a certified copy of the marriage certificate or deed poll). Please note that we will only change your nominated accessible account with an Australian bank or other financial institution if we receive an original, signed, written request.

We will send you written confirmation of any changes that you request us to make to your personal details.

Your Plan and Family Law

If you purchase the Plan with Superannuation monies, the Family Law Act may have a significant effect on your Plan if you separate from your partner. The provisions mean that your investment in the Plan may be split between you and your ex-spouse. The provisions apply to all legally married couples and couples in a de facto relationship as defined by the relevant laws.

Under Family Law, if you are party to a marriage or a de facto relationship, your spouse may request that we provide them with information about your investment. We are prohibited by law from informing you that your spouse has made such a request. We will not provide your spouse with your address or contact details. There may be a fee in respect of requests for information from your spouse; however, this is payable by your spouse and is not payable by you.

If a married or de facto couple separates, they can sign an agreement that provides us with certain binding instructions to split the benefit. Splitting the benefit essentially means that your investment is split between you and your ex-spouse. The split does not have to be in equal shares.

Complaints

As part of our commitment to providing quality service to our clients, we endeavour to resolve all complaints quickly and fairly. If you have a particular complaint regarding your Plan, please do not hesitate to contact us by calling our Investor Services team or by writing to:

Complaints Resolution Officer
Challenger Life Company Limited
GPO Box 3698
Sydney NSW 2001

However, if you are still not satisfied with our response (or have not received a response within 45 days or any extended period allowed under the relevant procedures), you may contact:

Financial Ombudsman Service
GPO Box 3
Collins Street West
Melbourne VIC 3001
Tel: 1300 780 808

If your complaint involves a superannuation investment, you may contact:

The Superannuation Complaints Tribunal
Locked Bag 3060
GPO Melbourne VIC 3001
Tel: 1300 780 808

Fax terms and conditions

You can notify us of changes to your personal information, such as a change of address, by fax. You can also provide us with withdrawal instructions by fax within the Withdrawal Benefit Period.

You should understand that a person without your authority could send us a fax and by pretending to be you, transfer or withdraw monies from your account for their own benefit.

By electing to use the fax facilities, you agree that we are not responsible to you for any fraudulently completed communications and that we will not compensate you for any losses.

You agree that should such a fraud take place, you release and indemnify us against any liabilities whatsoever arising from our acting on any communication received by fax in respect of your investment.

We will only act on completed communications. In the case of a fax, a transmission certificate from your fax machine is not sufficient evidence that your fax was received. We will not be liable for any loss or delay resulting from the non-receipt of any transmission.

These terms and conditions are in addition to any other requirements that may form part of your giving instructions relating to the completion of a particular authority.

If the details of the accessible Australian bank or other financial institution quoted at the time of making a fax withdrawal do not match those previously given to us, the withdrawal will not proceed.

You must advise us in writing via an original letter (i.e. not a fax) if you wish to change any of your account details. We may cancel or vary the terms of the fax services by giving 14 days written notice to you.

By sending us a fax withdrawal, you signify your acceptance of these conditions.

Non-resident investors

If you are a non-resident investor, you can purchase the Plan providing you received information about the Plan in Australia and you sign the application form in Australia. The taxation information contained in this PDS may

not be relevant to non-resident investors. If you are a non-resident investor, we recommend that you speak to a tax adviser for information about how the Plan is taxed before purchasing the Plan.

Customer identification program

In accordance with Anti-Money Laundering and Counter-Terrorism Financing legislation, verification of the identity of all new customers starting an investment is a prerequisite.

If you are investing via a financial planner, they will be required to obtain acceptable **identity verification documents** from you, prior to lodging your application.

To do this, your financial planner will need to sight the original or certified copies of your identity verification documents and retain a copy of these. Your financial planner will then send us copies of your identity verification documents together with your application form. If the application form is signed under Power of Attorney, we will also require a certified copy of the Power of Attorney document and a specimen signature of the attorney. Please see below for a list of who can certify these documents.

If you have not provided identity verification documents to a financial planner, you will be required to provide **certified copies** of your identity verification documents directly to us. Please see below for a list of who can certify these documents.

Under relevant laws, we may be required to ask you for additional identity verification documentation and/or information about you or anyone acting on your behalf, either when we are processing your application or at some stage after we issue the investment. We may pass any information we collect and hold about you or your investment to the relevant government authority in accordance with Anti-Money Laundering and Counter-Terrorism Financing legislation.

Identity verification documents

Whether you are investing via a financial planner or directly with Challenger, you will be required to provide valid identity verification documentation when you invest. We have outlined the specific documentation required in the application form attached to this PDS.

If any documentation you provide is not in English, it must be accompanied by an original copy of an English translation prepared by an accredited translator.

If we do not receive all the required valid identity verification documents with your application form or we are unable to verify your identity at any time, we may not be able to commence your investment and we may withhold income and maturity payments until the required documentation is received. We will contact you as soon as possible if we require more information.

To reduce uncertainty around releasing funds to third party accounts, when we receive withdrawal requests we may delay the release of money until we gain comfort around the request for withdrawal including the identity of the third party account.

Who can certify

Identity verification documents may be certified as a true and correct copy of an original document by one of the following persons in Australia.

Please ensure that each page of the relevant document(s) is certified. The person certifying must state their capacity (from the list below) and state on each page that the document is a **'true and correct copy of the original'**.

- Justice of the Peace
- Police officer
- Officer with two or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993)
- Finance company officer with two or more continuous years of service with one or more finance companies (for the purposes of the Statutory Declaration Regulations 1993)
- Officer with, or authorised representative of, a holder of an Australian financial services licence, having two or more continuous years of service with one or more licensees
- Member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with two or more years of continuous membership, i.e. an accountant
- Judge of a court

- Magistrate
- Person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described), i.e. an Australian lawyer
- Agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public
- Permanent employee of the Australian Postal Corporation with two or more years of continuous service who is employed in an office supplying postal services to the public
- Chief executive officer of a Commonwealth court
- Registrar or deputy registrar of a court
- Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955)
- Notary public (for the purposes of the Statutory Declaration Regulations 1993)

Superannuation funds, trusts and companies

If you are a superannuation fund, trust or company wishing to invest in the Plan, you are required to comply with certain other identity verification requirements as set out in the application form at the back of this PDS. We will not be able to finalise your application and will withhold your first payment until we receive all required information.

Incomplete or rejected application forms

To ensure that your application is processed efficiently, it is important that:

- you complete all sections of the application form (refer to the application form checklist); and
- you provide all required identity verification documents outlined in the application form.

If your application form is not complete, we may not be able to proceed with your request until the required information is received. In these situations we may:

- attempt to contact you and/or your financial planner (if applicable); or
- hold your application monies in a non-interest bearing account until we receive the required information.

Monies may be held for a maximum period of 30 days (in a non-interest bearing account) commencing on the day we receive the funds. After this period your funds will be returned to the source of payment via cheque.

Your Plan will commence on the day all outstanding information is received by us, and you will receive the initial income payments applicable at that time.

We can accept or reject any application for the Plan and are not required to give any reason or grounds for such a refusal.

Please refer to page 16 for information on the requirements under the customer identification program.

Additional information for Plans purchased with Superannuation monies

Investors with Superannuation monies must be at least 60 years of age to invest in the Plan. Superannuation and Private monies cannot be combined; however, you can invest these monies in separate Plans providing each Plan meets our minimum investment requirements. You cannot purchase a Joint Lifetime Plan with Superannuation monies.

If you are investing superannuation or rollover money into the Plan, then that money must be classified as 'unrestricted non-preserved' superannuation money.

Plans purchased with Superannuation monies must meet the Government's minimum payment standards in the first year of payment. The Government's minimum payment standards are set out in the following table:

| Age | Minimum annual income (as a % of the purchase price) |
|-------------|---|
| Under 65 | 4% |
| 65-74 | 5% |
| 75-79 | 6% |
| 80-84 | 7% |
| 85-89 | 9% |
| 90-94 | 11% |
| 95 and over | 14% |

Your financial planner will ensure that your Plan meets the Government's minimum payment standards (as outlined above). This will ensure that payments made to you from the Plan are tax free.

Restrictions on who you can nominate as a Reversionary Annuitant

For Single Lifetime Plans with a Reversionary Annuitant, the Reversionary Annuitant can only be your spouse (as defined by the relevant legislation) who lives with you in a marriage-like relationship. You can only select a Reversionary Annuitant before your Plan commences. Once your Plan commences, your Reversionary Annuitant cannot be changed, although you can revoke your nomination.

Additional information for Plans purchased by a Superannuation Fund, Trust or Company

Superannuation fund, trust or company investors must choose a Life Insured when investing in the Plan. The superannuation fund, trust or company will be the policy owner.

Applications can only be made by completing the Superannuation Fund, Trust or Company application form at the back of this PDS. You are required to comply with the identity verification requirements set out in the application form. We will not be able to finalise your application, and will withhold your first payment, until we receive all required information.

Regular income payments will only be paid via direct credit to the policy owner. Income payments cannot be made to the Life Insured.

The tax consequences of superannuation funds, trusts and companies investing in the Plan are different to those of individual investors and we recommend you speak to a tax adviser if considering investing in the Plan. No tax is deducted if the company, trust or superannuation fund's ABN or TFN is provided to us.

Correspondence will generally be sent to the policy owner. Every six months, we will send the Life(Lives) Insured a form to complete as regular evidence of survival. It is the policy owner's responsibility to ensure that the Life(Lives) Insured completes the form and returns it to us. The form must be returned to us within 30 days of being sent. If evidence of survival is not provided to us, we reserve the right to discontinue any income payments and/or cancel the Plan.

For information on what happens to Plans when the Life Insured dies, please see pages 12 to 13.

Fees and other costs

What are the fees of the Plan?

In declaring the initial income payments, we have already taken into consideration all expenses required to administer the Plan. The Plan has no separate fees or charges. However, your bank, credit union or building society may deduct fees, taxes and other charges from payments made to your nominated accounts.

If you terminate your Plan at any time, the termination value will be calculated by us in accordance with the Life Insurance Act 1995 and any other relevant laws, and will not be less than the legislatively imposed surrender minimum for this type of plan (see page 7 under the heading 'Withdrawing an investment').

A fee of \$50 (including GST) may apply where you have misplaced your policy. We may charge you any other fee, charge or expense which is payable under State or Federal law.

Commissions and other payments

Financial planners may be remunerated for the service they provide to you in relation to this investment. Financial planners meet their expenses from this payment as well as using it as income. This remuneration is generally taken into account by us in determining the initial income payments and is not an additional charge to you. Where other sales methods are used by your financial planner, lower charges will not necessarily result.

Once you decide to buy the Plan, your planner is entitled to the following commission:

- an initial commission of up to 0.55% (including GST) of the initial purchase price multiplied by your life expectancy (or for Joint Lifetime Plans and Single Lifetime Plans with a Reversionary Annuitant, the longest life expectancy), up to a maximum of 3.3% (including GST);
- ongoing commission of up to 0.55% p.a. (including GST) of the reducing value of your investment.

Your financial planner may rebate some or all of their commission to you (not including the GST component), by indicating their intention to do so on the application form. Any rebated commission will increase your initial income payments.

We may pay fees or provide other financial assistance (for seminars, client mailings, co-operative advertising, postage, etc) to financial services intermediaries. These may be a fixed dollar amount or a percentage of funds invested. If we do, we will make these payments from our own resources so that they are not an additional cost to the Plan or its investors. It is not possible to provide an estimate of the amount of these payments.

We maintain a register (in compliance with the Industry Code of Practice on Alternative Forms of Remuneration) summarising alternative forms of remuneration that are paid or provided to certain advisers. If you would like to review this register, please contact us.

If your Plan is terminated, we may require that your financial planner repays commission to us.

Additional adviser fees

Although this is not paid from the Plan, you and your financial planner may agree that you will pay your financial planner an additional fee.

Centrelink/Department of Veterans' Affairs (Social Security)

The information below sets out our general understanding of current Social Security legislation as at the date of this document. The legislation and its interpretation could change in the future. The information in this section does not deal with the Social Security treatment of market-linked annuities.

Centrelink and the Department of Veterans' Affairs (DVA) use two means tests to determine your eligibility for a Government provided income support benefit. These tests are known as the Assets Test and the Income Test. The test that produces the lowest entitlement is the one that is used to determine your eligibility for a benefit. The following table summarises the Assets and Income Tests that will apply to your Plan:

Your local Centrelink or Department of Veterans' Affairs office can help answer any questions you may have prior to investing. You can contact Centrelink by calling 13 23 00 or the Department of Veterans' Affairs on 13 32 54.

The Social Security and taxation information included in this PDS is a general summary of legislation as at the date the PDS was issued. We recommend that you obtain your own professional advice regarding your position, as tax and Social Security laws are complex and subject to change, and investors' individual circumstances vary.

| Type of annuity | Assets Test | Income Test |
|-----------------|---|---|
| Lifetime | Purchase price less an annual reduction amount ¹ | Income less annual deductible amount ² |

¹ The amount of the purchase price counted as an asset will be reduced every six months in arrears, or every 12 months in arrears where yearly payments are made.

² The calculation of the deductible amount is:
$$\frac{\text{Purchase price} - \text{amounts commuted} - \text{Residual Capital Value}}{\text{Relevant number}}$$

The relevant number is the life expectancy of the annuitant or the longest life expectancy if there are reversionary or joint annuitants.

Taxation

You may receive taxation benefits by investing in the Plan. The taxation information contained in this PDS sets out our understanding of current taxation legislation and regulations as at the date of this document. The legislation and its interpretation could change in the future.

The taxation information contained in this PDS applies to individual Australian investors only. If you are investing on behalf of a superannuation fund, trust or company, or you are a non-resident investor, you should seek the advice of a tax adviser.

For information about the taxation treatment of death benefits, please see the section 'What happens in the event of your death?' on page 12.

When you invest

There is usually no tax payable on superannuation benefits that are rolled over from another superannuation fund into the Plan. However, if you roll over a superannuation benefit which contains an untaxed element of the taxable component (which generally only occurs with benefits paid from public sector funds) or make certain other types of contributions (such as a Directed Termination Payment), tax is deducted at a maximum rate of 15% and remitted to the Australian Taxation Office (ATO).

If you invest Private monies into the Plan, no tax is deducted from the amount invested.

How are your regular payments taxed?

When you purchase the Plan with Superannuation monies, income payments are tax free when paid to you.

When you purchase the Plan with Private monies, part of your regular payments are included in your assessable income and are, therefore, subject to PAYG tax. Like an employer, we are required to withhold an amount from payments we make to you and remit it to the ATO. Note that PAYG tax is not a final tax and a greater or lesser amount of tax may apply upon assessment of your annual income tax return. If you complete a Tax File Number

Declaration (TFND), the PAYG tax deducted from your income payments may be reduced. The TFND allows you to apply for a tax-free threshold. You should consult your financial planner or tax adviser to ascertain if the tax-free threshold applies to you.

At the end of each financial year, we will send you a PAYG Payment Summary and tax information with details to assist you with preparing your income tax return. For Joint Lifetime Plans, income payments reported for each owner will be split in accordance with how you chose to receive income payments when the Plan was purchased (e.g. 50% to you and 50% to your spouse, 70% to you and 30% to your spouse, etc).

The assessable income is reduced by an amount called the 'deductible amount'. The deductible amount will be the amount of each regular payment which is deemed to represent the return of your investment amount. You can use the following formula to calculate your deductible amount:

$$\text{Deductible amount} = \frac{\text{Investment amount}}{\text{Relevant number}^*}$$

*The relevant number is the life expectancy of the annuitant or the longest life expectancy if there are reversionary or joint annuitants.

You will have to include details of your Plan in your taxation return each year.

Senior Australians Tax Offset

If you purchase your Plan with Private monies, you may be eligible for the Senior Australians Tax Offset. The amount of the Senior Australians Tax Offset you will receive will depend on your personal circumstances. The offset does not apply to Plans purchased with Superannuation monies because the income from these Plans is tax free.

If you are eligible and wish to claim the offset, please complete the Tax File Number Declaration and the Withholding Declaration in the back of this PDS. You can only claim the Senior Australians Tax Offset if you have answered 'Yes' to Question 9 of the Tax File Number Declaration.

Tax File Number (TFN)

Before you provide your TFN (individuals only) to us, we are required to tell you the following:

- It is not an offence not to quote your TFN, but if you choose not to quote it, tax may be deducted from your income at the highest marginal rate (plus Medicare levy). These consequences may change in the future.
- Your TFN will be used for legal purposes only. This includes calculating tax on superannuation benefits and providing information to the ATO. These purposes may change in the future.

If you purchase the Plan with Superannuation monies by rolling over benefits from an untaxed source or a Directed Termination Payment, then tax is generally deducted from the rolled-over amount, and if you do not provide your TFN, additional tax often needs to be deducted.

Lump sum withdrawal (commutation)

Generally, for Plans that have a commutation value, there is no tax payable if you cancel the Plan and receive a lump sum payment. However, part of the commutation proceeds may be treated as income, rather than a lump sum. For example, for commutations of Plans purchased with Private monies, if the commutation value exceeds the amount that represents a return of remaining capital value (called the reduced purchase price) the excess amount will be treated as income. Partial withdrawals are not permitted from the Plan.

Policy Document

Your Policy consists of two parts, this Policy Document and the Investor Certificate you receive when you invest in the Plan. You should read the contents of these documents carefully and keep them in a safe place.

Your Policy is a legal contract between you and Challenger Life Company Limited (ABN 44 072 486 938) (Challenger Life). This Policy Document is deemed to be issued to you only after your signed Application Form is accepted by Challenger Life.

Your Income Stream is administered as part of the Challenger Life Statutory Fund No. 2 and does not share in any surplus generated by the Fund.

For the purpose of this Policy Document:

- For Plans purchased by an individual with Superannuation Monies or Private Monies: The Policy Owner(s) is also the Life(Lives) Insured.
- For Plans purchased by a superannuation fund, trust or company: The Policy Owner is the superannuation fund, trust or company, and the Life Insured is the person on which the policy is based.

Within this Policy, 'you' and 'your' are references to the Policy Owner.

1. Commencement Date

The Commencement Date of your Policy will be the date that your application is accepted by Challenger Life. The first regular payment relates to the period commencing on this date.

2. Term

- The Single Lifetime Income Stream provides income payments for the duration of the Life Insured's life, no matter how long they may live. Income payments will stop when the Life Insured dies.
- The Single Lifetime Income Stream with Reversionary Annuitant provides income payments for the duration of the Life Insured's life and the lifetime of the

Reversionary Annuitant so that income will continue to be paid as long as one or both remain alive. Income payments will stop if the Life Insured and the Reversionary Annuitant both die.

- The Joint Lifetime Income Stream provides income payments for the duration of the Life Insured's life and the lifetime of the Joint Life Insured so that income will continue to be paid as long as one or both remain alive. Income payments will stop if the Life Insured and the Joint Life Insured both die.

3. Income Payments

The purchase price paid by the Policy Owner purchases an Income Stream as described in the Investor Certificate. The guaranteed Income Payments will be paid at the frequency shown on the Investor Certificate. The payments may be made either monthly, quarterly, half-yearly or yearly until the end of the Term of your Policy. The payments will be paid in arrears by electronic transfer into the Policy Owner's bank, building society or credit union account (or in the case of a Joint Lifetime Income Stream, to each Policy Owner's bank, building society or credit union account).

If there is more than one owner, then we pay the regular payment in the proportions shown in the Investor Certificate or otherwise in equal shares. Income will continue to be paid until the end of the Term as long as one of the Lives on which the policy is based is still alive.

At the commencement of your Policy, you may have arranged to have the income payments reduce by up to 50% on the event of the Life Insured's death or the death of the Joint Life Insured to take account of the reduced income needs of the surviving Owner or Reversionary Annuitant (called the Benefit Reduction Option). The Investor Certificate shows whether you have chosen this option and the reduction percentage. Payments do not reduce on the death of the Reversionary Annuitant.

The Plan does not have any RCV (RCV0).

4. Indexation of Income Payments

Guaranteed regular Income Payments over the Policy Term are indexed each year on the anniversary of the Commencement Date by the percentage change in the rate of inflation. This change, if any, will be equal to the CPI for the second-last complete quarter before the day on which the indexation change is to apply divided by the CPI for the same quarter of the immediately preceding year.

The CPI is the weighted average of the Eight Capital Cities Index, as published by the Australian Statistician, or any such adjusted index (where a material change occurs through a change in the law or any appropriate successor index as selected by Challenger Life).

5. No Commutation Option

If you choose the No Commutation Option, the commutation value of your Plan will be Nil unless the commutation is a result of the death of the last Life Insured under the Plan. Where the commutation is a result of the death of the last Life Insured under the Plan, the commutation value will be calculated in accordance with section 7. If you have chosen this option, it will be specified in your Investor Certificate.

6. Commutation

All Lifetime Income Streams have a nil Residual Capital Value, that is, there is no residual capital value after the death of the last Life Insured (except in the Withdrawal Benefit Period). Subject to any partial commutation made by Challenger Life for payment of any superannuation surcharge (see section 9) or where required/permitted by law, you cannot make partial commutations from the Plan. The Plan has a Withdrawal Benefit Period of 15 years from the commencement date of the Plan.

Requests to commute the Plan must be made in writing and must be received by Challenger Life before 5pm on the last day of the Withdrawal Benefit Period.

7. Commutation Value

The Commutation Value will not be less than the legislatively imposed surrender minimum for this type of plan and will be affected by interest rates at the time of Commutation, costs of establishing the annuity and the

guaranteed future Income Payments to the end of the Withdrawal Benefit Period. Only payments to the end of the Withdrawal Benefit Period are taken into account in calculating the Commutation Value. The Commutation Value is nil after the end of the Withdrawal Benefit Period.

Challenger Life guarantees that at the end of year 15 the commutation value will equal a percentage of the Plan's purchase price. The percentage payable is determined by the age and sex of the oldest Life Insured and, if applicable, the age and sex of the Reversionary Annuitant if older than the Life Insured, at Commencement Date:

| Age at commencement | Single Lifetime | | Joint Lifetime and Single Lifetime with a Reversionary |
|---------------------|-----------------|--------|--|
| | Male | Female | |
| Less than 66 | 85% | 100% | 100% |
| 66-70 | 70% | 90% | 100% |
| 71-75 | 40% | 50% | 80% |
| 76-80 | 20% | 30% | 50% |
| 81 and above | 10% | 15% | 20% |

At the commencement of your Policy you may have arranged to have the Commutation Value reduce by up to 50% on the event of the Life Insured's death or the death of the Joint Life Insured to take account of the reduced income needs of the surviving Owner or Reversionary Annuitant (called the Benefit Reduction Option). The Investor Certificate shows whether you have chosen this option and the reduction percentage. The Commutation Value does not reduce on the death of the Reversionary Annuitant.

The minimum Commutation Value of the Income Stream will be at least the present value of the future guaranteed Income Payments due for the remainder of the Withdrawal Benefit Period. The future payments are discounted at an interest rate equal to the greater of:

- the yield on a Commonwealth Government Security with a term nearest to the remainder of the Policy Term plus 4%; or
- the gross yield implicit in the investment at the time of issue of the Policy.

The Commutation Value calculation may be amended upon a change to the relevant standard. If you buy your Income Stream with Superannuation monies, generally

any Commutation Value will be a superannuation benefit payment. If we pay it directly to you, you will not be able to roll it over again.

8. Taxation

If required, Challenger Life deducts Pay As You Go (PAYG) tax from each annuity payment as prescribed by any Legislative Provision.

9. Other government charges or imposts

Challenger Life has the right to recover from you, by deductions from your annuity payments, any stamp duty, tax, or other government charges or imposts or a proportionate part thereof that may be imposed in respect of this Policy or this class of business. Income tax on superannuation rollovers/transfers (if applicable) will be deducted at the time of purchase of your Income Stream. Any superannuation surcharge payable by Challenger Life will be deducted when an assessment is received by Challenger Life from the Australian Taxation Office. In such cases, Challenger Life may make a partial Commutation of your investment for payment of the superannuation contributions surcharge and your subsequent Income Payments will be adjusted accordingly.

10. Changes in legislation

Challenger Life reserves the right to:

- adjust Income Payments and tax instalments as a result of any change in the taxation or other relevant legislation;
- vary without prior notice to the policy owner any of the terms and conditions of this Policy Document in order to comply with any requirements of, or as a result of, any amendments to any relevant laws or the rulings or determinations of the Commissioner of Taxation, the Australian Prudential Regulation Authority or any other statutory authority which has jurisdiction in respect of this Policy Document as a matter of law;
- in relation to CPI indexation, adjust the CPI applicable if there is a change in the law which materially alters the CPI.

Challenger Life will advise you of any changes to the conditions relating to your Policy as disclosed at the time

of its issue in writing either in your annual information statement or by separate means.

11. Notices

All notices and statements sent to you will be sent to the last address given by you to us. Any letter or notice sent to Challenger Life must be left at, or sent by prepaid post to us at, the address set out in the current PDS for the Income Stream. Your Client Number and the Policy Number should be quoted in all correspondence.

12. Beneficiaries

We will pay remaining benefits under your Plan including any RCV (if applicable) paid upon death (or if you are a joint owner, upon the death of the last surviving owner) to any one of the following:

- your estate (or the estate of the last surviving owner) where there is no Reversionary Annuitant (either because he or she has either predeceased you or ceased to qualify as a beneficiary); or
- your Reversionary Annuitant (which for Plans purchased with Superannuation monies can only be your spouse including a de facto spouse as defined by the relevant laws).

For Plans purchased with Private monies that are to be held by two or more people jointly, the remaining payments including any RCV will be paid to the surviving owner.

If your Reversionary Annuitant dies before you, upon your death the lump sum benefit will be paid to your estate.

Challenger Life requires satisfactory proof of death and delivery to Challenger Life of the Policy Document and Investor Certificate. You cannot change your Reversionary Annuitant but you can revoke the nomination at any time in writing to Challenger Life.

13. Continuity Certificate

Challenger Life reserves the right to request evidence to satisfy itself of your continued eligibility to receive the Income Stream. We will supply a Continuity Certificate, for completion by the Life(Lives) Insured, every six (6) months, which must be returned within a reasonable period (determined by Challenger Life) of the request being made. Challenger Life reserves the right to

discontinue any Income Stream payments where such evidence is not provided within a reasonable period. Any payment made by Challenger Life in accordance with this Policy after the date that the Income Stream should have ceased will be reimbursed to Challenger Life from the recipient of the payments. Challenger Life will also be reimbursed and/or may adjust future payments under this Policy if any incorrect information is provided to Challenger Life, including any incorrect information provided in the Application Form which leads to payments being made in excess of those that would have been made if the correct information had been provided.

14. Lost Policy

Challenger Life reserves the right to charge a fee of up to \$50 for Policy replacement or for payment of a claim in the event that the Policy is lost, unless prohibited by law.

15. General information

Your Plan cannot be used as a security for borrowing.

16. Compliance

Any requirement, standard, condition or other provision (collectively a 'Legislative Provision') of relevant legislation and regulations (including the Superannuation Industry (Supervision) Act 1993, the Life Insurance Act 1995 and the Income Tax Assessment Acts 1936 and 1997) which is either required to be included in this Policy, or must be complied with by Challenger Life, in order for the annuities provided under this Policy to qualify:

- as an annuity; or
- for tax concessional treatment in relation to income of, or payments by, Challenger Life;

is deemed to be included in this Policy for so long as such Legislative Provision is required to be so included or must be complied with.

Application form checklist – Individuals

To ensure that we are able to process your application quickly and efficiently, please cross (✗) each box to confirm that you have completed each section below. If you are a company, superannuation fund or trust, please refer to the checklist on page 59.

| Required information | Section of form | |
|---|---|---|
| | Private monies | Superannuation monies |
| Investor details – Complete in full your personal details. | Individual investors <input type="checkbox"/> Section 1A Joint investors and Reversionary Annuitant <input type="checkbox"/> Section 1A and 1B | Individual investors <input type="checkbox"/> Section 1A Reversionary Annuitant <input type="checkbox"/> Section 1A and 1B |
| Investment details – Indicate the amount you wish to invest in the Plan. | <input type="checkbox"/> Section 2 | <input type="checkbox"/> Section 2 Please ensure that you also attach the superannuation benefit statement. If this is not attached, you must complete the name of the fund or rollover institution in section 2 and organise the rollover directly with your existing superannuation or rollover institution. |
| Plan options – Indicate which Plan options you would like. | <input type="checkbox"/> Section 3 | <input type="checkbox"/> Section 3 |
| Financial institution account details – Provide the financial institution account details for the account into which you wish your income payments to be made. | <input type="checkbox"/> Section 4 If joint investors, please provide details for both investor 1 and 2 and nominate the percentage (%) of income each investor is to receive. | <input type="checkbox"/> Section 4 |

| Required information | Section of form | |
|--|--|--|
| | Private monies | Superannuation monies |
| <p>Customer identity verification – Complete all required information relating to your investment including providing valid certified copies of all required identity verification documents (see below) to your financial planner or to Challenger with your application.</p> <p>Identity verification documents It is important that you provide all the required identity verification documents outlined in the application form. If your application form is not complete or you do not provide the required documentation, we may be unable to process your application and may withhold income and maturity payments until we receive the required documents.</p> <p>If any documentation you are providing is not in English, it must be accompanied by an original copy of an English translation prepared by an accredited translator.</p> | <p><input type="checkbox"/> Section 5</p> <p><input type="checkbox"/> Valid identity verification documents provided.</p> <p>Note: At least one document must show your date of birth.</p> | <p><input type="checkbox"/> Section 5</p> <p><input type="checkbox"/> Valid identity verification documents provided.</p> <p>Note: At least one document must show your date of birth.</p> |
| <p>Additional customer identity verification – Provide the additional identity verification documents for individuals who do not have an existing investment in the Challenger Guaranteed Income Plan AND:</p> <ul style="list-style-type: none"> • are not a resident of Australia or New Zealand; and/or • are investing \$1 million or more of Private monies. | <p><input type="checkbox"/> Section 6</p> | <p><input type="checkbox"/> Section 6</p> |
| <p>Declaration and applicant(s) signature Read the declaration and have all relevant applicant(s) sign the declaration in the application form.</p> <p>If you are signing under a Power of Attorney (POA), please ensure that an original certified copy of the POA is attached to the application form. Each page of the POA must be certified.</p> <p>In the case that the POA document does not contain a sample of the attorney's signature, please provide a certified copy of either the attorney's driver's licence or a passport containing a sample of their signature.</p> | <p><input type="checkbox"/> Section 7</p> <p>For joint investors, please ensure both investors sign the application form.</p> | <p><input type="checkbox"/> Section 7</p> |

| Required information | Relevant form | |
|--|--|--|
| | Private monies | Superannuation monies |
| Tax File Number Declaration Form (TFND) | <p>Individual and joint investors are to complete the TFND. This will assist us in determining how much tax to deduct from your payments. Joint investors must each complete a TFND.</p> <p>While it is not an offence to not provide us with your TFN, if you choose not to provide it, tax may be deducted from your income payments at the highest marginal tax rate plus Medicare levy. Please refer to page 22 of the PDS for more information.</p> | <p>If your superannuation benefits are being rolled over from an untaxed source or a Directed Termination Payment, you must complete a TFND.</p> |
| Withholding Declaration Form | <p>If you wish to claim the Senior Australians Tax Offset, you must provide a Withholding Declaration. To be eligible, you must have answered 'Yes' to Question 9 of the TFND.</p> <p>Each joint investor who wishes to claim the Senior Australians Tax Offset must complete a Withholding Declaration Form.</p> | <p>Not applicable</p> |
| Guaranteed Income Plan quotation | <p>Your quotation is valid for a period of seven days from the date shown on the quotation. If a valid quotation is not included with your application form and investment monies, you will receive the initial income payments applicable on the day your application and investment monies are processed by us.</p> | <p>Your quotation is valid for a period of seven days from the date shown on the quotation. If your quotation is invalid, you will receive the initial income payments applicable on the day your application and investment monies are processed by us.</p> |

Before sending us your application, please ensure that you have:

- completed, in full, the application form;
- provided all identity verification documentation;
- for Plans being purchased with Private monies: Attached the cheque to the application form. Please cross the cheque 'Not Negotiable' and make payable to 'Challenger Life Company Limited <insert the name of the investor>';
- for Plans being purchased with Superannuation monies: Attached a cheque payable to 'Challenger Life Company Limited <insert the name of the investor>' and a superannuation benefit statement.

If the cheque and superannuation benefit statement are being sent directly to us from the rollover institution, have you fully completed section 2 of the application form?

Please post all documentation to:
Challenger Life Company Limited
Reply Paid 3698
Sydney NSW 2001
 (No stamp required)

Alternatively, you can lodge the application form, quotation and cheque through your financial planner.

Challenger Guaranteed Income Plan (Liquid Lifetime) Application Form – Individuals (Issue date: 20 August 2010)

Office use only

When you complete the form: • use a black pen • print within the boxes in clear BLOCK LETTERS

1. Investor details

1A. Investor 1

Do you already have an investment in the Challenger Guaranteed Income Plan? Yes No Account No. (if known)

Surname

Given name(s)

Title (Mr/Mrs/Miss/Ms) Date of birth / / Age Male Female

TFN exemption: If you have a TFN exemption, please provide exemption details

Are you an Australian resident for tax purposes? Yes No If No, in which country do you reside for tax purposes?

Telephone (home) Telephone (work)

Facsimile Mobile

Email address

Residential address (street address)

Suburb/town State Postcode

Country

If your country of residence is not Australia or New Zealand, please ensure that you also complete section 6.

1B. Investor 2

Joint Lifetime investor – Private (non-superannuation monies only)
 Reversionary Annuitant (for Superannuation monies, can only be your spouse)

Do you already have an investment in the Challenger Guaranteed Income Plan? Yes No Account No. (if known)

Surname

Given name(s)

Title (Mr/Mrs/Miss/Ms) Date of birth / / Age Male Female

TFN exemption: If you have a TFN exemption, please provide exemption details

Are you an Australian resident for tax purposes? Yes No If No, in which country do you reside for tax purposes?

Telephone (home) Telephone (work)

Facsimile Mobile

Email address

Residential address (street address)

Suburb/town State Postcode

Country

If your country of residence is not Australia or New Zealand, please ensure that you also complete section 6.

The Challenger Guaranteed Income Plan PDS dated 20 August 2010 gives information about investing in the Plan. Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) is the Issuer of the Plan. Any person who gives another person access to this application form must also give the person access to the Challenger Guaranteed Income Plan PDS and any supplementary PDS. You should read the PDS before completing this application form.

Challenger Life Company Limited or a financial planner who has provided an electronic copy of the PDS will send you a paper copy of the PDS and any supplementary document and application form free of charge if you so request during the period of the offer specified in the PDS.



2. Investment details

Amount to be invested \$ (minimum \$10,000).

Please select which type of money you are investing in your Guaranteed Income Plan.

If you would like to invest using both sources of money you will need to complete two separate application forms.

Make all cheques payable to 'Challenger Life Company Limited <insert the name of the investor>'

Private monies. If this is a new investment in a Challenger Guaranteed Income Plan and you are investing \$1 million or more in Private monies, you must also complete section 6.

Superannuation monies

If your superannuation benefit statement is not attached to this application form, please complete the following:

Name of fund or rollover institution

Approximate amount \$

(Note: You must organise and follow-up the rollover directly with your existing superannuation or rollover institution.)

3. Plan options – please complete all sections

Benefit Reduction Option (If no selection is made, the default is Nil)

Nil or 25% 50%

Wealth Focus Pty Ltd
PO Box 760
Manly, NSW 1655
Tel: 1300 559 869
AFSL: 314872

Payment frequency (If no frequency is selected, the default is monthly)

Monthly Quarterly Half-yearly Yearly

No commutation option (If no selection is made, the default is No)

Is this a non-commutable annuity?

Yes No

4. Financial institution account details – this section must be completed

Investor 1

We will pay your income payments to this account. **Cheque payments are not available.**

Bank

Branch

Account name

BSB number - Account number

Investor 2 (Joint Lifetime only)

% of regular payment to be received % (must be between 5% and 95%)

We will pay your income payments to this account. Write 'as above' if the same account as investor 1.

Bank

Branch

Account name

BSB number - Account number



5. Customer identity verification

If you are not lodging this application through a financial planner, you are required to provide us certified copies of the identity verification documents listed (ensuring each page is certified). Please refer to page 16 of the PDS.

i. Identity verification for Australian residents. This must be completed by investor 1 (and investor 2 for Plans with joint owners or Reversionary Annuitant).

| Information required to be verified Please ensure the document(s) you provide confirms the following: | Verification options Please cross (X) which document(s) you have provided: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|------------|--|--------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|----------------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|---|--------------------------|--------------------------|---|--------------------------|--------------------------|--|--------------------------|--------------------------|---|
| <ul style="list-style-type: none"> Full name of individual; and either: <ul style="list-style-type: none"> residential address of individual; or date of birth. | <p>Please provide EITHER A or B (at least one document must show your date of birth).</p> <p>A) a valid copy of ONE of the following documents:</p> <table border="0"> <thead> <tr> <th>Investor 1</th> <th>Investor 2</th> <th></th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Australian driver's licence containing your photograph; or</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Australian passport; or</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Proof of age card issued under a State or Territory law, containing your photograph.</td> </tr> </tbody> </table> <p>OR if one of the above can not be provided, please provide i and ii below:</p> <p>B) i. a valid copy of ONE of the following documents:</p> <table border="0"> <tbody> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Australian birth certificate; or</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Australian citizenship certificate; or</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Pension card issued by Centrelink; or</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Health care card issued by Centrelink; AND</td> </tr> </tbody> </table> <p>ii. a valid copy of a notice that contains your name and residential address which was issued to you by either:</p> <table border="0"> <tbody> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>The Commonwealth or a State or Territory within the preceding 12 months and records the provision of financial benefits; or</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>The ATO within the preceding 12 months and records a debt payable by or to you; or</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>A local government body or utilities provider within the preceding three months and records the provision of services to you.</td> </tr> </tbody> </table> | Investor 1 | Investor 2 | | <input type="checkbox"/> | <input type="checkbox"/> | Australian driver's licence containing your photograph; or | <input type="checkbox"/> | <input type="checkbox"/> | Australian passport; or | <input type="checkbox"/> | <input type="checkbox"/> | Proof of age card issued under a State or Territory law, containing your photograph. | <input type="checkbox"/> | <input type="checkbox"/> | Australian birth certificate; or | <input type="checkbox"/> | <input type="checkbox"/> | Australian citizenship certificate; or | <input type="checkbox"/> | <input type="checkbox"/> | Pension card issued by Centrelink; or | <input type="checkbox"/> | <input type="checkbox"/> | Health care card issued by Centrelink; AND | <input type="checkbox"/> | <input type="checkbox"/> | The Commonwealth or a State or Territory within the preceding 12 months and records the provision of financial benefits; or | <input type="checkbox"/> | <input type="checkbox"/> | The ATO within the preceding 12 months and records a debt payable by or to you; or | <input type="checkbox"/> | <input type="checkbox"/> | A local government body or utilities provider within the preceding three months and records the provision of services to you. |
| Investor 1 | Investor 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | Australian driver's licence containing your photograph; or | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | Australian passport; or | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | Proof of age card issued under a State or Territory law, containing your photograph. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | Australian birth certificate; or | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | Australian citizenship certificate; or | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | Pension card issued by Centrelink; or | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | Health care card issued by Centrelink; AND | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | The Commonwealth or a State or Territory within the preceding 12 months and records the provision of financial benefits; or | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | The ATO within the preceding 12 months and records a debt payable by or to you; or | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | A local government body or utilities provider within the preceding three months and records the provision of services to you. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

ii. Identity verification for non-Australian residents. This must be completed for investor 1 (and investor 2 for Plans with joint owners or Reversionary Annuitant).

| Information required to be verified Please ensure the document(s) you provide confirms the following: | Verification options Please cross (X) which document(s) you have provided: | | | | | | | | | | | | | | | | | | |
|---|---|--|------------|--|--------------------------|--------------------------|--|--------------------------|--------------------------|--|--------------------------|--------------------------|--|--------------------------|--------------------------|--|--------------------------|--------------------------|---|
| <ul style="list-style-type: none"> Full name of individual; and either: <ul style="list-style-type: none"> residential address of individual; or date of birth. <p>Note: If any documentation you provide is not in English, it must be accompanied by an original copy of an English translation prepared by an accredited translator.</p> | <p>Please provide EITHER A or B (at least one document must show your date of birth).</p> <p>A) a valid copy of ONE of the following documents:</p> <table border="0"> <thead> <tr> <th>Investor 1</th> <th>Investor 2</th> <th></th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Foreign passport, or similar travel document bearing your signature and photograph; or</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>National identity card issued by a foreign government bearing your signature and photograph.</td> </tr> </tbody> </table> <p>OR if one of the above can not be provided, please provide:</p> <p>B) valid copies of TWO of the following documents:</p> <table border="0"> <tbody> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Foreign driver's licence that contains your photograph; and/or</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Citizenship certificate issued by a foreign government; and/or</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Birth certificate issued by a foreign government.</td> </tr> </tbody> </table> | Investor 1 | Investor 2 | | <input type="checkbox"/> | <input type="checkbox"/> | Foreign passport, or similar travel document bearing your signature and photograph; or | <input type="checkbox"/> | <input type="checkbox"/> | National identity card issued by a foreign government bearing your signature and photograph. | <input type="checkbox"/> | <input type="checkbox"/> | Foreign driver's licence that contains your photograph; and/or | <input type="checkbox"/> | <input type="checkbox"/> | Citizenship certificate issued by a foreign government; and/or | <input type="checkbox"/> | <input type="checkbox"/> | Birth certificate issued by a foreign government. |
| Investor 1 | Investor 2 | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | Foreign passport, or similar travel document bearing your signature and photograph; or | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | National identity card issued by a foreign government bearing your signature and photograph. | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | Foreign driver's licence that contains your photograph; and/or | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | Citizenship certificate issued by a foreign government; and/or | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | Birth certificate issued by a foreign government. | | | | | | | | | | | | | | | | | |



6. Additional customer identity verification

Only complete this section if you do not have an existing investment in the Challenger Guaranteed Income Plan AND:

- your residential address is not in Australia or New Zealand; and/or
- you are investing \$1 million or more of Private monies.

Investor 1

What is your country of citizenship?

What other names are you known by?

If you are known by any name(s) other than your full name provided in section 1, please provide your other name(s) in full.

What is your occupation?

What is your source of funds, including the origin of the funds being invested?

Investor 2

What is your country of citizenship?

What other names are you known by?

If you are known by any name(s) other than your full name provided in section 1, please provide your other name(s) in full.

What is your occupation?

What is your source of funds, including the origin of the funds being invested?

7. Declaration

I/We declare that:

- all details in this application and all documents provided are true and correct and I/we indemnify Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) against any liabilities whatsoever arising out of it acting on any of these details or any future details provided by me/us in connection with this application;
- I/we have received a copy of the current PDS to which this application applies and have read it and agree to the offer contained in it and to be bound by the provisions of the policy and this PDS. In the event of any inconsistency between the PDS and policy terms, I/we acknowledge that the policy terms prevail;
- I/we have legal power to invest in accordance with this application and have complied with all applicable laws in making this application;
- I/we have received and accepted this offer in Australia;
- the details of my/our investment can be provided to the dealer group or adviser by the means and in the format that they direct;
- I/we understand that the application form, together with any superannuation benefit statement (if applicable) and Challenger quotation will be relied upon by Challenger Life Company Limited in its decision to issue a Guaranteed Income Plan policy. Where the information on the quotation differs to that on the application form, the policy will be based on the information provided on the application form;
- if investing Superannuation monies, then either I have reached preservation age or the superannuation benefits are unrestricted non-preserved monies for another reason;
- if this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this application unless we have already sighted it);
- I/we have read and understood the terms and conditions for the use of fax communications and release and indemnify Challenger Life Company Limited against any liabilities whatsoever arising out of it acting on any communications received by fax;
- I/we agree to provide proof of life when requested by Challenger Life Company Limited;
- I/we acknowledge that I/we have read the pages of the PDS containing the information under the heading 'Privacy and personal information'. I am/We are aware that until I/we inform Challenger Life Company Limited otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading and I/we have consented to the provision of, and authorised (if applicable) my/our financial planner to provide, such personal information to the Challenger Group as is required or reasonably deemed necessary by the Challenger Group under applicable law;
- I/we understand that if I/we fail to provide any information requested in this application form or do not agree to any of the possible exchanges or uses detailed above, my/our application may not be accepted by Challenger Life Company Limited and I/we agree to release and indemnify Challenger Life Company Limited in respect of any loss or liability arising from its inability to accept an application due to inadequate or incorrect details having been provided;
- I/we confirm that I am/we are not holding the Plan on behalf of anybody else.

Investor 1

Signature (please sign)

Date

Print name

Investor 2

Signature (please sign)

Date

Print name

Important notes

This application must not be handed to any person unless attached to this PDS dated 20 August 2010. Challenger may in its absolute discretion refuse any application for a policy. Persons external to the Challenger Group or other entities who market Challenger Group products are not agents of any entity in the Challenger Group but are independent investment advisers. Challenger will not be bound by representations or statements which are not contained in information disseminated by Challenger. Application monies paid by cheques from investment advisers will only be accepted if drawn from a trust account maintained in accordance with the Corporations Act. This Plan is offered by Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670).

Wealth Focus Pty Ltd
 PO Box 760
 Manly, NSW 1655
 Tel: 1300 559 861
 AFSL: 314872





8. Adviser details

By signing this section I declare that:

- the attached documents are true copies of the documents used to satisfy the customer identity verification requirements and I have complied with my obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.
- I have provided the required additional identity verification information and documents and understand that income and maturity payments will be withheld until any additional information required is provided.

| | | | | | | | | | | | | | | | |
|-----------------------------------|----------------------|---|----------------------|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Adviser full name | Wealth Focus Pty Ltd | | | | | | | | | | | | | | |
| Adviser group name | PO Box 760 | | | | | | | | | | | | | | |
| | Manly, NSW 1655 | | | | | | | | | | | | | | |
| Adviser group AFSL No. | Tel: 1300 559 869 | | | | | | | | | | | | | | |
| Adviser telephone | AFSL: 314872 | | | | | | | | | | | | | | |
| Signature <i>(please sign)</i> | <input type="text"/> | | | | | | | | | | | | | | |
| Date | <input type="text"/> | / | <input type="text"/> | / | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

InvestmentLink information

IL GN (Group) / /

Upfront commission

The maximum payable is 0.55% (incl. GST) multiplied by the term of the annuity up to a maximum of 3.3%. If you have not selected a variation to upfront commission on the quotation, the default level is maximum.

Please indicate the level of upfront commission you wish to receive %
(as per attached quotation)

Ongoing commission

The maximum payable is 0.55% p.a. (incl. GST). If you have not selected a variation to ongoing commission on the quotation, the default level is 0.275% p.a. (incl. GST).

Please confirm the level of ongoing commission you wish to receive %
(as per attached quotation)





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Australian Government
Australian Taxation Office

Tax file number declaration

The information you provide in this declaration will enable your payer to work out how much to withhold from payments made to you.

Complete a *Tax file number declaration* before you start to receive payments from a new payer, for example, when you start a new job or become entitled to a superannuation pension. Your payer must notify the Tax Office within 14 days of the start of the new arrangement.

You do not need to complete a new *Tax file number declaration* if you have a current one with your payer (or an *Employment declaration* or *Annuity and superannuation pension declaration* completed before 1 July 2000).

This declaration covers:

- payments for work and services, including payments to employees, company directors and office holders; payments under return-to-work schemes and labour hire arrangements; and payments specified by regulation
- benefit and compensation payments, and
- superannuation benefits.

The information in these instructions is current to 30 June 2008.

You do not need to complete a new declaration unless your situation changes. You must lodge a new declaration if:

- you leave your current payer and start to receive payments from a new payer, or
- your circumstances change.



THIS IS NOT A TFN APPLICATION FORM

This declaration is not an application for a tax file number (TFN). If you have never had a TFN and want to provide your payer with a TFN, you will need to complete a *Tax file number application or enquiry for an individual* (NAT 1432).

! YOU MAY NEED OTHER FORMS AS WELL

You also need to complete a *Withholding declaration* (NAT 3093) if you want to:

- advise of a change to your tax offset or family tax benefit entitlement
- claim the tax-free threshold with a new payer and discontinue claiming the threshold with other payers
- advise that you have become, or are no longer, an Australian resident for tax purposes, or
- advise your payer of Higher Education Loan Programme (HELP) or Financial Supplement repayment obligations or changes.

If you qualify for a reduced rate of Medicare levy or are liable for the Medicare levy surcharge, you can vary the amount your payer withholds from your payments by completing a *Medicare levy variation declaration* (NAT 0929) (see 'More information for payees' on page 5).



If you need more information or help, you can:

- visit www.ato.gov.au or
- phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday.

HOW TO COMPLETE THE TAX FILE NUMBER DECLARATION

Section A: To be completed by the PAYEE

QUESTION 1:

What is your tax file number (TFN)?

It is not an offence not to quote your TFN. However, if you do not provide your payer with your TFN or claim an exemption from quoting it, your payer must withhold an amount at the top marginal rate of tax plus Medicare levy (46.5% for 2007–08) from any payments to you.

➤ When you complete a TFN declaration or you otherwise quote your TFN to your payer for superannuation purposes, your payer must pass your TFN to the superannuation fund to which the payer is making contributions.

Provision of your TFN to your superannuation fund

Giving your TFN to your superannuation fund will have the following advantages (which may not otherwise apply):

- your superannuation fund will be able to accept all types of contributions to your account(s)
- the tax on contributions to your superannuation account(s) will not increase
- other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits, and
- it will make it much easier to trace different superannuation accounts in your name so that you receive all your super when you retire.

Under the *Superannuation Industry (Supervision) Act 1994*, your superannuation fund is authorised to collect your TFN, which will only be used for lawful purposes. These purposes may change in the future as a result of legislative change. The trustee of your superannuation fund may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request the trustee of your superannuation fund in writing that your TFN may not be disclosed to any other trustee.

➤ NEED TO KNOW YOUR TFN?

You will find your TFN on:

- your income tax notice of assessment
- correspondence sent to you by the Tax Office, or
- a payment summary issued by your payer.

If you have a tax agent, they may also be able to tell you your TFN.

If you cannot find your TFN or are not sure you have one phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday. You will be asked for information about your identity and, if you have a TFN, we will tell you what it is.

If you have never had a TFN (or are not sure if you have one), you can also complete a *Tax file number application or enquiry for an individual* (NAT 1432).

Print X in the appropriate box if you:

- have lodged a *Tax file number application or enquiry for an individual* or made a phone or counter enquiry to obtain your TFN. Your payer will withhold at the standard rate but, if they do not have your TFN after 28 days, they will withhold an amount at the top marginal rate of tax plus Medicare levy (46.5% for 2007–08) from future payments, or
- are claiming an exemption from quoting a TFN. You are exempt from quoting your TFN if you:
 - are under 18 years of age and do not earn enough to pay tax, or
 - receive certain Centrelink pensions, benefits or allowances or a service pension from the Department of Veterans' Affairs. However, you are not exempt from quoting your TFN if you receive Newstart, sickness allowance, special benefit or partner allowance.

➤ For more information about privacy and TFNs, see 'Privacy of information' on page 6.

QUESTIONS 2, 3, 4 and 5:

Fill in your personal information.

QUESTION 6:

On what basis are you paid?

Check with your payer if you are not sure of the basis of your payment.

QUESTION 7:

Are you an Australian resident for tax purposes?

Generally, the Tax Office considers you to be an Australian resident for tax purposes if you:

- have always lived in Australia or you have come to Australia and now live here permanently
- are an overseas student doing a course that takes more than six months to complete
- have been in Australia continuously for six months or more and for most of that time you worked in the one job and lived in the same place, or
- will be or have been in Australia for more than half of 2007–08 (unless your usual home is overseas and you do not intend to live in Australia).

If you go overseas temporarily and do not set up a permanent home in another country, you may continue to be treated as an Australian resident for tax purposes.

The criteria the Tax Office uses to determine your residency status are not the same as those used by the Department of Immigration and Citizenship or Centrelink.

❗ NON-RESIDENT RATES ARE DIFFERENT

It is against the law to claim the tax-free threshold and tax offsets (with the exception of zone or overseas forces tax offsets) if you are a non-resident of Australia for tax purposes.

➤ If you need help deciding whether you are an Australian resident for tax purposes:

- visit www.ato.gov.au and select 'Individuals', or
- phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday.

If you are not an Australian resident for tax purposes, you must answer NO at questions 8 and 10 (unless you are entitled to a zone or overseas forces tax offset).

QUESTION 8:

Do you want to claim the tax-free threshold from this payer?

The tax-free threshold is the amount of income you can earn each year that is not taxed (currently, the first \$6,000 of your annual income).

It is available only to people who are Australian residents for tax purposes (that is, people who answered YES at question 7).

Answer YES at question 8 if you:

- are an Australian resident for tax purposes
- are not currently claiming the tax-free threshold from another payer, and
- want to claim the tax-free threshold.

If you want to change the payer you are currently claiming the tax-free threshold from, you must also give them a *Withholding declaration* (NAT 3093) to advise them that you no longer want to claim the tax-free threshold from them.

❗ DO YOU HAVE MORE THAN ONE JOB OR PAYER?

You can claim the tax-free threshold from only one payer at a time. Generally, you should claim it from the payer you expect to pay you the most during the income year.

If you receive any taxable Centrelink payments or allowances such as Newstart, Austudy or Youth Allowance, you are probably already claiming the tax-free threshold with Centrelink. If you are, you cannot also claim it from another payer.

If you expect to earn more than \$16,500 from the job where you have claimed the tax-free threshold, you may end up with a tax debt at the end of the income year.

To avoid having a debt, you should ask one or more of your payers to withhold additional amounts by completing a *Withholding declaration – upwards variation* (NAT 5367).

➡ If you need help deciding whether you can claim the tax-free threshold, or which payer you should claim it from:

- visit www.ato.gov.au and select 'Individuals', or
- phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday.

For more information about varying your withholding rate, phone **1300 360 221** between 8.00am and 6.00pm, Monday to Friday.

QUESTION 9:

Do you want to claim family tax benefit or the senior Australians tax offset by reducing the amount withheld from payments made to you?

⊖ CLAIM BENEFITS AND TAX OFFSETS WITH ONLY ONE PAYER

It is against the law to reduce your withholdings, or claim the senior Australians tax offset, with more than one payer at the same time.

Family tax benefit

What is family tax benefit?

Family tax benefit is a payment to help with the cost of raising dependent children. It has two parts:

- Part A helps with the cost of raising children, and
- Part B provides extra help to families with one main income, including single parent families.

You may be eligible for Part A, Part B, or both.

Are you eligible to claim family tax benefit?

To be eligible to claim family tax benefit you must:

- be an Australian resident for family assistance purposes, which means:
 - you reside in Australia on a permanent basis, and
 - satisfy one of the following:
 - you are an Australian citizen
 - you hold a permanent visa
 - you are a New Zealand citizen who entered Australia under a special category visa, or
 - you hold a certain class of temporary visa
- have provided care to a dependent child. Care means that you had the responsibility for the day-to-day care, welfare and development of the child, and
- have cared for a dependent child for a minimum of 10% of the assessment period, if you shared the care of a dependent child with another person who is not your current spouse (for example, if you shared the care for a dependent child, this must have been for at least 37 nights of the 2007-08 income year).

➡ If you are unsure of your residency status, visit the Family Assistance Office website at www.familyassist.gov.au or phone **13 61 50** between 8.00am and 8.00pm, Monday to Friday.

Two ways you can claim family tax benefit

If you are eligible for family tax benefit, you can claim it either:

- 1 as a fortnightly payment from the Family Assistance Office, or
- 2 through the tax system from the Tax Office:
 - as an end-of-year lump sum through the tax system, or
 - by reducing the amount withheld from payments made to you during the year.

❗ FAMILY ASSISTANCE OFFICE CLIENTS

If you are receiving an income support payment from the Family Assistance Office, you cannot claim family tax benefit by reducing the amount withheld from payments made to you.

Answer NO at this question if you choose to receive family tax benefit as:

- a fortnightly payment from the Family Assistance Office, or
- an end-of-year lump sum through the tax system.

Answer YES at this question if you choose to claim family tax benefit by reducing the amount withheld from payments made to you during the year. You need to also complete a *Withholding declaration* (NAT 3093) and a *Withholding declaration – family tax benefit worksheet* (NAT 7089). Your payer may have copies of these forms or see 'More information for payees' on page 5.

Senior Australians tax offset

⊖ If your income comes from more than one source, do not complete this question for any of your payers. For advice, phone **1300 360 221** between 8.00am and 6.00pm, Monday to Friday.

To be eligible for the senior Australians tax offset, you must meet conditions 1, 2, 3 and 4 explained below.

Condition 1: Age

To meet this condition, on 30 June 2008 you must be a:

- male aged 65 years or more OR a female aged 63.5 years or more, or
- male veteran or war widower aged 60 years or more OR a female veteran or war widow aged 58.5 years or more who meets the veteran pension age test.

➡ If you are not sure whether you meet the veteran pension age test, visit the Department of Veterans' Affairs website at www.dva.gov.au or phone **13 32 54**.

Condition 2: Eligibility for an Australian Government age pension or similar type of payment

To meet this condition, you must fit into one of the following categories:

- A** You received an Australian Government age pension, or a pension allowance or benefit from the Department of Veterans' Affairs, at any time during the 2007–08 income year.
- B** You would be eligible for an Australian Government age pension, but are not receiving one because you have not made a claim or because of the application of the income test or the assets test.
- C** You are a veteran with eligible war service or a Commonwealth veteran, allied veteran or allied mariner with qualifying service and you are eligible for a pension, allowance or benefit from the Department of Veterans' Affairs, but are not receiving it because you have not made a claim or because of the application of the income test or the assets test.

➤ If you need help working out your eligibility for a social security or Centrelink pension, phone Centrelink on **13 23 00**. If you are a veteran and not sure if you are eligible for a payment, visit **www.dva.gov.au** or phone **13 32 54**. For all other enquiries about the senior Australians tax offset, phone the Tax Office on **13 28 61** between 8.00am and 6.00pm, Monday to Friday.

Condition 3: Taxable income threshold

To meet this condition for the 2007–08 income year, you must satisfy one of these income thresholds:

- You do not have a spouse (married or de facto) and your taxable income will be less than \$43,707.
- You have a spouse (married or de facto) and you and your spouse's combined taxable income will be less than \$68,992.
- You have a spouse (married or de facto), and for some or all of the income year you have to live apart due to illness or because one of you is in a nursing home, and you and your spouse's combined taxable income will be less than \$81,840.

The threshold amounts shown here relate to determining your eligibility for the senior Australians tax offset – they are not tax-free thresholds.

❗ 'Had to live apart due to illness' is a term used to describe a situation where the living expenses of you and your spouse (married or de facto) are increased because you cannot live together in your home because of the indefinitely continuing illness or infirmity of one or both of you.

Condition 4: Not in jail

To meet this condition, you must not be in jail for the whole income year.

How your income affects the amount of your tax offset

If you meet conditions 1, 2, 3 and 4 above, you are eligible for the senior Australians tax offset. Being eligible means that you are entitled to the senior Australians tax offset but it does not mean you will automatically get an amount of senior Australians tax offset. Your own taxable income will be used to work out the amount of your tax offset. The combined income amounts set out in condition 3 are used for eligibility purposes – not for working out the amount of your entitlement.

Answer NO if you are not eligible for the senior Australians tax offset or you want to claim your entitlement to the tax offset as a lump sum in your end-of-year assessment.

Answer YES if you choose to receive the senior Australians tax offset by reducing the amount withheld from payments made to you during the year. You also need to complete a *Withholding declaration* (NAT 3093).

QUESTION 10:

Do you want to claim a zone, overseas forces, dependent spouse or special tax offset by reducing the amount withheld from payments made to you?

⊖ CLAIM TAX OFFSETS WITH ONLY ONE PAYER

It is against the law to claim tax offsets from more than one payer at the same time.

You may be entitled to:

- a zone tax offset if you live or work in certain remote or isolated areas of Australia
- an overseas forces tax offset if you serve overseas as a member of Australia's Defence Force or a United Nations armed force
- a dependent spouse (married or de facto) tax offset if your spouse's separate net income is expected to be less than \$8,682 for the income year ended June 2008, or
- a special tax offset for a dependent invalid relative, dependent parent, housekeeper caring for an invalid spouse or a dependent child-housekeeper.

Answer NO at this question if you choose to receive any of these tax offsets as an end-of-year lump sum through the tax system.

Answer YES at this question if you choose to receive any of these tax offsets by reducing the amount withheld from payments made to you. You also have to complete a *Withholding declaration* (NAT 3093).

➤ If you are not sure whether you are eligible for the zone, overseas forces, dependent spouse or special tax offset:

- visit **www.ato.gov.au** and select 'Individuals', or
- phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday.

QUESTION 11(a):

Do you have an accumulated Higher Education Loan Programme (HELP) debt?

Answer YES if you have an accumulated HELP debt.

Answer NO if you do not have an accumulated HELP debt, or you have repaid all your HELP debt.

❗ If you had a Higher Education Contribution Scheme (HECS) debt it became an accumulated HELP debt on 1 June 2006.

HELP

The Higher Education Loan Programme (HELP) was introduced on 1 January 2005, replacing the HECS.

HELP consists of:

- HECS-HELP – for eligible students enrolled in Commonwealth supported places. A HECS-HELP loan will cover all or part of their student contribution.
- FEE-HELP – for eligible fee-paying students enrolled at an approved eligible higher education provider. FEE-HELP provides students with a loan to cover up to the full amount of their tuition fees to a limit of \$80,000, and \$100,000 for dentistry, medicine or veterinary science courses. These limits are indexed each year.
- OS-HELP – for eligible Commonwealth supported students who wish to study overseas. OS-HELP provides students with a cash loan to cover expenses such as accommodation and travel.

If the Australian Government lends you money under any of these schemes you will have a HELP debt.

Repaying your HELP debt

You must start repaying your debt when your repayment income is above the minimum threshold. The minimum threshold for 2007–08 is \$39,824. We will calculate your compulsory repayment for the year and include it on your income tax notice of assessment.

If your annual income is likely to be above the minimum repayment threshold, your payer will regularly withhold additional amounts to cover any compulsory repayment that may be calculated.

If you have claimed the tax-free threshold, the additional withholding for repaying your debt will commence at weekly earnings of \$765. If you have not claimed the tax-free threshold, the additional withholding will commence at weekly earnings of \$448.

Do you have more than one job and a HELP debt?

If your payments from all jobs add up to more than the repayment threshold for the income year, you will have a compulsory repayment included in your next income tax notice of assessment. You can ask one or more of your payers to withhold additional amounts to cover your compulsory repayment.

❗ HAVE YOU REPAID THIS DEBT?

When you have repaid your accumulated HELP debt, you must complete a new *Withholding declaration* (NAT 3093).

➤ For more information about HELP debts, obtain a copy of our guide *Repaying your HELP debt in 2007–08* (NAT 3913) from www.ato.gov.au or phone **1300 720 092**.

QUESTION 11(b):

Do you have an accumulated Financial Supplement debt?

Answer YES if you have an accumulated Financial Supplement debt.

❗ The Student Financial Supplement Scheme closed on 31 December 2003 and new loans are no longer being issued. Existing Financial Supplement debts will continue to be collected through the tax system as before.

Answer NO if you do not have an accumulated Financial Supplement debt, or you have repaid all your Financial Supplement debt.

Repaying your Financial Supplement debt

You must start repaying your Financial Supplement debt when your repayment income is above the minimum threshold. The minimum threshold for 2007–08 is \$39,824. We will calculate your compulsory repayment for the year and include it on your income tax notice of assessment.

If your annual income is likely to be above the minimum repayment threshold, your payer will regularly withhold additional amounts to cover any compulsory repayment that may be calculated.

If you have claimed the tax-free threshold, the additional withholding for repaying your debt will commence at weekly earnings of \$765. If you have not claimed the tax-free threshold, the additional withholding will commence at weekly earnings of \$448.

❗ HAVE YOU REPAID THIS DEBT?

When you have repaid your accumulated Financial Supplement debt, you must complete a *Withholding declaration* (NAT 3093).

➤ For more information about Financial Supplement debts, obtain a copy of our guide *Repaying your Financial Supplement loan 2007–08* (NAT 2789) from www.ato.gov.au or phone **1300 720 092**.

❗ WHAT HAPPENS TO THE ADDITIONAL AMOUNTS WITHHELD?

The additional amounts withheld by your payer are not credited to your HELP or Financial Supplement account during the year but form part of the amount shown on your annual *PAYG payment summary* at **total tax withheld** and on your income tax notice of assessment at **PAYG withholding credits**. If you had too much withheld during the year and you have no other outstanding debts, we will refund the excess to you.

❗ SIGN AND DATE THE DECLARATION

Make sure you have answered all the questions in section A and have signed and dated the declaration. Give your completed declaration to your payer.

➤ MORE INFORMATION FOR PAYEES

For a copy of the *Withholding declaration* (NAT 3093), the *Withholding declaration – family tax benefit worksheet* (NAT 7089) or other Tax Office products, you can:

- visit www.ato.gov.au – online ordering
- obtain a fax by phoning **13 28 60**, or
- phone **1300 720 092**.

These services are available 24 hours a day, seven days a week.

You can phone:

- **13 28 61** for help completing the *Tax file number declaration*
- **1300 360 221** for information on varying the standard withholding rate
- **13 32 54** for the Department of Veterans' Affairs
- **13 61 50** for the Family Assistance Office, or
- **13 23 00** for Centrelink.

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.

Section B: To be completed by the PAYER

The following information will help you comply with your pay as you go (PAYG) obligations.

Tax file number declarations

If you withhold amounts from payments to an employee or other payee, or are likely to withhold amounts, the payee may give you a completed *Tax file number declaration*. The amount you withhold from payments you make to a payee depends on the answers the payee gives on this declaration.

A *Tax file number declaration* applies to payments made after the declaration is provided to you. If the payee gives you a later declaration, this overrides the earlier one.

This declaration replaces the *Employment declaration* and *Annuity and superannuation pension declaration* from 1 July 2000. However, employment declarations and annuity and superannuation pension declarations that were valid at 30 June 2000 continue to be valid as tax file number (TFN) declarations under PAYG.

When a payee gives you a completed *Tax file number declaration*, you must:

- complete section B and send the original to the Tax Office within 14 days, and
- retain the payer's copy for your records.

Provision of payee's TFN to the payee's superannuation fund

If you make a superannuation contribution for your payee, you need to give your payee's TFN to their superannuation fund within 14 days of receiving the payee's *Tax file number declaration* form. But if you do not make a contribution for the payee in that period, you may pass the payee's TFN on to their superannuation fund at the time when you make such a contribution.

What if a payee advises you that they have applied for a TFN, or enquired about their existing TFN??

If a payee states at question 1 on the *Tax file number declaration* that they have applied for an individual TFN, or enquired about their existing TFN, they have 28 days to give you their TFN. If they do not give you their TFN within this time (and unless the Tax Office tells you not to), you must withhold an amount at the top marginal rate of tax plus the Medicare levy (46.5% for 2007–08) from:

- the payee's payments
- all leave loading payments
- leave payments on termination of employment (that is, holiday pay, unused annual leave and long service leave), and
- the taxable component of an employment termination payment.

What if a payee does not give you a completed Tax file number declaration?

If a payee does not give you a completed *Tax file number declaration* you must withhold an amount at the highest marginal rate of tax plus the Medicare levy (46.5% for 2007–08) from any payment to that payee. Within 14 days of the start of the withholding obligation, you must notify the Tax Office. You do this by completing as much of the *Tax file number declaration* as you can. Make sure you:

- complete questions 1 to 8 of section A as well as you can
- print **PAYER** in the signature box of section A
- complete section B
- send the original copy to the Tax Office within 14 days
- retain the payer's copy for your records, and
- withhold an amount at the top marginal rate of tax plus the Medicare levy (46.5% for 2007–08) from any payments to the payee.

Storing and disposing of TFN declarations

Under the TFN guidelines in the *Privacy Act 1988*, you must use secure methods when storing and disposing of TFN information. Under tax laws, if a payee submits a new *Tax file number declaration* or leaves your employment, you must still keep this declaration for the current and next financial year.

Penalties

You may incur a penalty if you do not:

- forward original copies of completed TFN declarations to the Tax Office
- keep the payer copy of completed TFN declarations for your records, or
- provide the payee's TFN to the payee's superannuation fund.

➤ MORE INFORMATION FOR PAYERS

Lodging TFN declaration reports online

If you use payroll software, you can lodge TFN declaration reports online through the Electronic commerce interface (ECI). Visit www.ato.gov.au/onlineservices to learn about ECI.

Australian business number (ABN)

Apply for an ABN at www.abr.gov.au

Withholding payer number

If you require a withholding payer number (if not in business) phone **13 28 66**, between 8.00am and 6.00pm, Monday to Friday.

Order publications

Order TFN declarations, withholding declarations, family tax benefit worksheets and PAYG withholding tax tables:

- visit www.ato.gov.au – online ordering
- phone **1300 720 092**

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**.

If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.

➤ SEND COMPLETED DECLARATIONS TO:

For WA, SA, NT, VIC or TAS

Australian Taxation Office
PO Box 795
ALBURY NSW 2640

For NSW, QLD or ACT

Australian Taxation Office
PO Box 9004
PENRITH NSW 2740

OUR COMMITMENT TO YOU

We are committed to providing you with advice and information you can rely on.

If you feel this publication does not fully cover your circumstances, please seek help from the Tax Office or a professional adviser.

The information in this publication is current at July 2007. We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at www.ato.gov.au or contact us.

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PUBLISHED BY

Australian Taxation Office
Canberra
July 2007
JS 7602

PRIVACY OF INFORMATION

The Tax Office is authorised by the *Income Tax Assessment Act 1936* to ask for the information on this declaration. We need this information to help us administer the pay as you go (PAYG) system. Where authorised by law to do so, we may give this information to other government agencies. These agencies could include Centrelink, the Australian Federal Police, the Child Support Agency, the Departments of Families, Community Services and Indigenous Affairs, Veterans' Affairs, and Education, Science and Training.

Only certain people and organisations can ask for your TFN. These include employers, some Australian Government agencies, trustees for superannuation funds, payers under the PAYG system, higher education providers, the Child Support Agency and investment bodies such as banks. The Tax Office is authorised by the *Taxation Administration Act 1953* to collect your TFN. It is not an offence not to provide your TFN. However, failure to provide your TFN may result in you having extra tax withheld.

If you need more information about how the tax laws protect your personal information, or have any concerns about how the Tax Office has handled your personal information, phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday.



Tax file number declaration

This declaration is NOT an application for a tax file number.

- Please print neatly in BLOCK LETTERS and use a BLACK pen.
- Print X in the appropriate boxes.
- Make sure you read all the instructions before you complete this declaration.

www.ato.gov.au

Section A: To be completed by the PAYEE

1 What is your tax file number (TFN)?

See Privacy of information on page 6.

OR I have made a separate application/enquiry to the Tax Office for a new or existing TFN.

OR I am claiming an exemption because I am under 18 years of age and do not earn enough to pay tax.

OR I am claiming an exemption because I am a pensioner.

2 What is your name? Title: Mr Mrs Miss Ms

Surname or family name

First given name

Other given names

3 If you have changed your name since you last dealt with the Tax Office, show your previous family name

4 What is your date of birth? Day / Month / Year

5 What is your home address in Australia?

Suburb or town

State Postcode

6 On what basis are you paid? (Select only one.) Full-time employment Part-time employment Labour hire Superannuation income stream Casual employment

7 Are you an Australian resident for tax purposes? Yes No You must answer No at question 8.

8 Do you want to claim the tax-free threshold from this payer? ONLY CLAIM THE TAX-FREE THRESHOLD FROM ONE PAYER.

If you have more than one source of income and currently claim the tax-free threshold from another payer, do not claim it now. Yes No Answer No at questions 9 and 10 unless you are a non-resident claiming a senior Australians, zone or overseas forces tax offset.

9 Do you want to claim family tax benefit or the senior Australians tax offset by reducing the amount withheld from payments made to you? Yes Complete a Withholding declaration, but only if you are claiming the tax-free threshold from this payer. If you have more than one payer, see page 3. No

10 Do you want to claim a zone, overseas forces, dependent spouse or special tax offset by reducing the amount withheld from payments made to you? Yes Complete a Withholding declaration. No

11 (a) Do you have an accumulated Higher Education Loan Programme (HELP) debt? Yes Your payer will withhold additional amounts to cover any compulsory repayments. No

(b) Do you have an accumulated Financial Supplement debt? Yes Your payer will withhold additional amounts to cover any compulsory repayments. No

DECLARATION by payee: I declare that the information I have given is true and correct.

Signature Date Day / Month / Year

There are penalties for deliberately making a false or misleading statement.

Once this form is completed and signed, send the original to the Tax Office and keep your copy in a secure place.

Section B: To be completed by the PAYER

1 What is your Australian business number (ABN) (or your withholding payer number if you are not in business)? Branch number (if applicable)

2 If you don't have an ABN or withholding payer number, have you applied for one? Yes No See 'More information for payers' on page 6.

3 What is your registered business name or trading name (or your individual name if not in business)

DECLARATION by payer: I declare that the information I have given is true and correct.

Signature of payer Date Day / Month / Year

There are penalties for deliberately making a false or misleading statement.

4 What is your business address?

Suburb or town

State Postcode

5 Who is your contact person?

Business phone number

6 If you no longer make payments to this payee, print X in this box

Return completed original Tax Office copy to:
For WA, SA, NT, VIC or TAS Australian Taxation Office PO Box 795 ALBURY NSW 2640
For NSW, QLD or ACT Australian Taxation Office PO Box 9004 PENRITH NSW 2740

TAXPAYER-IN-CONFIDENCE (when completed)

This page has been left intentionally blank.



Tax file number declaration

This declaration is NOT an application for a tax file number.

- Please print neatly in BLOCK LETTERS and use a BLACK pen.
- Print X in the appropriate boxes.
- Make sure you read all the instructions before you complete this declaration.

www.ato.gov.au

Section A: To be completed by the PAYEE

1 What is your tax file number (TFN)?

See Privacy of information on page 6.

OR I have made a separate application/enquiry to the Tax Office for a new or existing TFN.

OR I am claiming an exemption because I am under 18 years of age and do not earn enough to pay tax.

OR I am claiming an exemption because I am a pensioner.

2 What is your name? Title: Mr Mrs Miss Ms

Surname or family name

First given name

Other given names

3 If you have changed your name since you last dealt with the Tax Office, show your previous family name

4 What is your date of birth? Day / Month / Year

5 What is your home address in Australia?

Suburb or town

State Postcode

6 On what basis are you paid? (Select only one.) Full-time employment Part-time employment Labour hire Superannuation income stream Casual employment

7 Are you an Australian resident for tax purposes? Yes No You must answer No at question 8.

8 Do you want to claim the tax-free threshold from this payer? ONLY CLAIM THE TAX-FREE THRESHOLD FROM ONE PAYER.

If you have more than one source of income and currently claim the tax-free threshold from another payer, do not claim it now. Yes No Answer No at questions 9 and 10 unless you are a non-resident claiming a senior Australians, zone or overseas forces tax offset.

9 Do you want to claim family tax benefit or the senior Australians tax offset by reducing the amount withheld from payments made to you? Yes Complete a Withholding declaration, but only if you are claiming the tax-free threshold from this payer. If you have more than one payer, see page 3. No

10 Do you want to claim a zone, overseas forces, dependent spouse or special tax offset by reducing the amount withheld from payments made to you? Yes Complete a Withholding declaration. No

11 (a) Do you have an accumulated Higher Education Loan Programme (HELP) debt? Yes Your payer will withhold additional amounts to cover any compulsory repayments. No

(b) Do you have an accumulated Financial Supplement debt? Yes Your payer will withhold additional amounts to cover any compulsory repayments. No

DECLARATION by payee: I declare that the information I have given is true and correct. Signature

Date Day / Month / Year

There are penalties for deliberately making a false or misleading statement.

Once this form is completed and signed, send the original to the Tax Office and keep your copy in a secure place.

Section B: To be completed by the PAYER

1 What is your Australian business number (ABN) (or your withholding payer number if you are not in business)? Branch number (if applicable)

2 If you don't have an ABN or withholding payer number, have you applied for one? Yes No See 'More information for payers' on page 6.

3 What is your registered business name or trading name (or your individual name if not in business) CHALLENGER LIFE COMPANY LIMITED

4 What is your business address?

5 Who is your contact person?

6 If you no longer make payments to this payee, print X in this box

DECLARATION by payer: I declare that the information I have given is true and correct. Signature of payer

Date Day / Month / Year

Return completed original Tax Office copy to: For WA, SA, NT, VIC or TAS Australian Taxation Office PO Box 795 ALBURY NSW 2640 For NSW, QLD or ACT Australian Taxation Office PO Box 9004 PENRITH NSW 2740

There are penalties for deliberately making a false or misleading statement.

TAXPAYER-IN-CONFIDENCE (when completed)

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Withholding declaration – short version for senior Australians

This declaration is for eligible seniors who want to claim the senior Australians tax offset by reducing the amount withheld from payments made to them.

Complete this declaration if you want to:

- claim your entitlement to the senior Australians tax offset
- claim or stop claiming the tax-free threshold
- advise your payer that you have become (or are no longer) an Australian resident for tax purposes.

Give the completed form to your payer so your rate of withholding can be varied. Make sure you have already given them a *Tax file number declaration* (or an *Employment declaration* or an *Annuity and Superannuation pension declaration* before 1 July 2000).



The information in these instructions is current to **30 June 2010**. You must lodge a new declaration if either:

- you leave your current payer and start to receive payments from a new payer
- your circumstances change.



If you give the wrong information, you may have insufficient amounts withheld from payments made to you and this may result in a significant tax debt at the end of the income year.



OUR COMMITMENT TO YOU

We are committed to providing you with guidance you can rely on, so we make every effort to ensure that our publications are correct.

If you follow our guidance in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our guidance in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest.

If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at www.ato.gov.au or contact us.

This publication was current at **July 2009**.

PRIVACY OF INFORMATION

We are authorised by the *Taxation Administration Act 1953* to collect your tax file number (TFN). You are not required by law to provide your TFN. However, quoting your TFN reduces the risk of administrative errors and having extra tax withheld.

We are authorised to collect information on this declaration by one or more of the following Acts:

- *Income Tax Assessment Act 1936*
- *Income Tax Assessment Act 1997*
- *Social Security Act 1991*
- *Taxation Administration Act 1953*

The Information you provide will help us to administer these Acts and other tax laws.

Where we are authorised by law to do so, we may give this information to other government agencies. These agencies could include Centrelink and the departments of Families, Housing, Community Services and Indigenous Affairs; Veterans' Affairs; and Education, Employment and Workplace Relations.

If you need more information about how the tax laws protect your personal information, or have any concerns about how the Tax Office has handled your personal information, phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday.

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Australian Taxation Office
Canberra
July 2009
JS 13604

HOW TO COMPLETE THIS FORM

SECTION A: PAYEE'S DECLARATION

Questions 1 & 2

Fill in your personal information.

Question 3

What is your tax file number (TFN)?

It is not an offence not to quote your TFN. However, your payer must withhold 46.5% from all payments made to you if you do not either:

- provide your payer with your TFN
- claim an exemption from quoting your TFN.

NEED TO KNOW YOUR TFN?

You will find your TFN on:

- your income tax notice of assessment
- correspondence sent to you by the Tax Office
- a payment summary issued by your payer.

If you have a tax agent, they may also be able to tell you your TFN.

If you still can't find your TFN you can:

- phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday
- visit your nearest shopfront (phone **13 28 61** to make an appointment)
- complete a *Tax file number application or enquiry for an individual* (NAT 1432).

If you phone or visit us we need to know we are talking to the correct person before discussing your tax affairs. We will ask you for details only you, or your authorised representative would know.

Print in the appropriate box if you:

- have lodged a *Tax file number application or enquiry for an individual* (NAT 1432) or made a phone or counter enquiry to obtain your TFN
- are claiming an exemption from quoting a TFN. You are exempt from quoting your TFN if you either:
 - receive certain Centrelink pensions, benefits or allowances or a service pension from the Department of Veterans' Affairs. However you will need to quote your TFN if you receive Austudy, Newstart, sickness or parenting allowance
 - receive benefits from the Military Rehabilitation and Compensation Commission.

For more information about privacy and TFNs, see 'Privacy of information' on the opposite page.

Question 4

This question has been removed. From 1 July 2007 your payer must pass your TFN to the superannuation fund to which the payer is making contributions. Giving your TFN to your super fund will:

- make it easier to trace different super accounts in your name so that you receive all your super when you retire
- allow your super fund to accept all types of contributions to your accounts
- ensure that the tax on contributions to your super accounts will not increase.

Question 5

Are you an Australian resident for tax purposes?

Generally, we consider you to be an Australian resident for tax purposes if you either:

- have always lived in Australia or you have come to Australia and now live here permanently
- are an overseas student doing a course that takes more than six months to complete
- have been in Australia continuously for six months or more and for most of that time you worked in the one job and lived in the same place
- will be or have been in Australia for more than half of 2009–10 (unless your usual home is overseas and you do not intend to live in Australia).

If you go overseas temporarily and do not set up a permanent home in another country, you may continue to be treated as an Australian resident for tax purposes.

The criteria we use to determine your residency status are not the same as those used by the Department of Immigration and Citizenship or Centrelink.

NON-RESIDENT TAX RATES ARE DIFFERENT

A higher rate of tax applies to a non-resident's taxable income and non-residents are not entitled to a tax-free threshold.

You are not entitled to claim the tax-free threshold and tax offsets if you are not an Australian resident for tax purposes. However, there is an exception with zone or overseas forces tax offsets.

If you need help deciding whether or not you are an Australian resident for tax purposes, go to 'More information' on page 5.

Answer 'NO' to this question if you are not an Australian resident for tax purposes. You must also answer 'NO' to question 6.

Question 6

Are you claiming or do you want to claim the tax-free threshold from this payer?

The tax-free threshold is the amount of income you can earn each year that is not taxed (currently, the tax-free threshold applies to the first \$6,000 of your annual income). It is only available to people who are Australian residents for tax purposes.

Answer 'YES' if you:

- are an Australian resident for tax purposes
- are not currently claiming the tax-free threshold from another payer, and
- want to claim the tax-free threshold.

! CHANGE TO WITHHOLDING FOR LOW INCOME TAX OFFSET

If you answer 'YES', your payer will reduce your withholding to allow a claim for 50% of the low income tax offset amount where your payment is at the relevant level.

Answer 'NO' if you either:

- answered 'NO' to question 5
- have claimed the tax-free threshold from another payer
- do not wish to claim the tax-free threshold.

If you want to change the payer you are currently claiming the tax-free threshold with, you must also give that payer a *Withholding declaration – short version for senior Australians* (NAT 5072) to advise them that you no longer want to claim the tax-free threshold with them.

! DO YOU HAVE MORE THAN ONE JOB OR PAYER?

You can claim the tax-free threshold from only one payer at a time. Generally, you should claim it from the payer you expect to pay you the most during the income year.

If you receive any taxable Centrelink payments or allowances such as Newstart or Austudy, you are probably already claiming the tax-free threshold with Centrelink. If you are, you cannot also claim it with another payer.

If you expect to earn more than \$16,500 from the job where you have claimed the tax-free threshold, you may end up with a tax debt at the end of the income year.

To avoid having a debt, you should ask one or more of your payers to withhold additional amounts by completing a *Withholding declaration – upwards variation* form (NAT 5367).

For more information on deciding whether you can claim the tax-free threshold or which payer you should claim it from, see 'More information' on page 5.

Question 7

Do you want to claim the senior Australians tax offset by reducing the amount withheld from payments made to you?

Answer 'NO' if you are either:

- not eligible for the senior Australians tax offset
- eligible and want to claim your entitlement to the tax offset as a lump sum in your end-of-year income tax assessment.

Answer 'YES' if you are eligible and you choose to receive the senior Australians tax offset by reducing the amount withheld from payments made to you during the year.

⊖ CLAIM THE TAX OFFSET WITH ONLY ONE PAYER

It is against the law to claim tax offsets with more than one payer at the same time.

If your income comes from more than one source, do not complete this question for any of your payers. Contact us for more information, see page 5.

To be eligible for the senior Australians tax offset, you must meet conditions 1, 2, 3 and 4 explained below.

Condition 1: Age

To meet this condition, on 30 June 2010 you must be either:

- a male aged 65 years or more, or a female aged 64 years or more
- a male veteran or war widower aged 60 years or more, or a female veteran or war widow aged 59 years or more who meets the veteran pension age test.

Veteran pension age test

You meet the veteran pension age test if one of the following applies to you and you would be eligible for a pension, allowance or benefit under the *Veterans' Entitlements Act 1986*:

- you have eligible war service, that is, service in World War I or World War II or operational service as a member of Australia's defence forces
- you are a Commonwealth or allied veteran who served in a conflict in which Australia's defence forces were engaged during a period of hostilities, that is, World War I or World War II, or in Korea, Malaya, Indonesia or Vietnam
- you are an Australian or allied mariner who served during World War II
- you are the war widow or war widower of a former member of Australia's defence forces.

'Pension, allowance or benefit' includes disability pension, service pension and white or gold Repatriation Health Cards for treatment entitlements.

If you are unsure whether you meet the veteran pension age test, contact the Department of Veterans' Affairs, see 'More information' on page 5.

! From 1 July 2009, the income tests for a number of tax offsets and government benefits will change. You may no longer be eligible for some tax offsets and government benefits. You will need to review your arrangements with your payer to make sure the tax they withhold from your salary, wages and other income during the income year is still enough to cover the amount of tax you are liable to pay. For more information, refer to *Changes to income tests* (NAT 72974). You can access this publication from our website at www.ato.gov.au

Condition 2: Eligibility for an Australian Government age pension or similar type of payment

To meet this condition, you must fit into one of the following categories:

- A** You are receiving an Australian Government age pension, or a pension allowance or benefit from the Department of Veterans' Affairs, at any time during the 2009–10 income year.
- B** You would be eligible for an Australian Government age pension, but are not receiving one because you have not made a claim or because of the application of the income test or the assets test and you satisfy one of the following:
 - you have been an Australian resident for age pension purposes for either 10 continuous years, or for more than 10 years, of which five years were continuous
 - you have a qualifying residence exemption (because you arrived in Australia as a refugee or under a special humanitarian program)
 - you are a woman who was widowed in Australia (at a time when both you and your late partner were Australian residents) and you have made a claim for the age pension and you had two years' residence immediately prior to your claim
 - you received a widow B pension, widow allowance, mature age allowance or partner allowance immediately before turning the age pension age
 - you qualify under an international social security agreement.
- C** You are a veteran with eligible war service or a Commonwealth veteran, allied veteran or allied mariner with qualifying service and you are eligible for a pension, allowance or benefit from the Department of Veterans' Affairs but are not receiving it because you have not made a claim or because of the application of the income test or the assets test.

See 'More Information' on page 5 if you need help working out your eligibility for:

- social security or Centrelink pension – contact Centrelink
- a veteran payment – contact the Department of Veterans' Affairs
- all other enquiries relating to the senior Australians tax offset – contact us.

Condition 3: Rebate income threshold

! From 1 July 2009, the income test for the senior Australian tax offset will change. A new test will be used called rebate income. Your rebate income includes your:

- taxable income
- adjusted fringe benefits (reportable fringe benefits multiplied by 0.535)
- total net investment loss
- reportable super contributions.

For more information, refer to *Changes to income tests* (NAT 72974). You can access this publication from our website at www.ato.gov.au

To meet this condition for the 2009–10 income year, you must satisfy one of these rebate income thresholds:

- you do not have a spouse and your rebate income will be less than \$47,707
- you have a spouse and your combined rebate income will be less than \$76,992, or
- you have a spouse, and for some or all of the income year you have to live apart due to illness or because one of you is in a nursing home, and you and your spouse's combined rebate income will be less than \$89,840.

Your spouse includes another person (whether of the same or opposite sex):

- to whom you are legally married
- who is in a relationship with you that is registered under a prescribed state or territory law
- who you live with on a genuine domestic basis as a couple.

The threshold amounts shown here relate to determining your eligibility for the senior Australians tax offset – they are not tax-free thresholds.

! The term 'have to live apart due to illness' applies when you and your spouse are paying higher living expenses because:

- one or both of you has a continuing illness or infirmity, and
- you cannot live together in your home as a result.

Condition 4: Not in jail

To meet this condition, you must not have been in jail for the whole income year (1 July 2009 to 30 June 2010).

How your rebate income affects the amount of your tax offset

If you meet conditions 1, 2, 3 and 4 described above, you are eligible for the senior Australians tax offset. Being eligible means that you may receive the senior Australians tax offset. Your own rebate income will be used to work out the amount of your tax offset. The combined rebate income amounts set out in condition 3 are used for eligibility purposes and not for working out the amount you will receive.

You will receive the maximum senior Australians tax offset if your rebate income is equal to or below the rebate income thresholds shown in column 1 in table A. A reduced tax offset will apply where your rebate income is above the thresholds shown in column 1 but less than the cut-out threshold shown in column 2.

Contact us for more information about the senior Australians tax offset, see 'More information' on page 5.

TABLE A: Rebate income thresholds for senior Australians tax offset

| | Column 1 | Column 2 |
|--|---------------------------|--------------------------|
| Senior Australians | Tax-free threshold | Cut-out threshold |
| Single | \$29,867 | \$47,707 |
| Each member of a couple | \$25,680 | \$38,496 |
| Each member of an illness-separated couple | \$28,600 | \$44,920 |

SECTION B: PAYER'S DECLARATION

This section is to be completed by the payer. The following information will help you comply with your pay as you go (PAYG) withholding obligations.

Payer obligations

If you withhold amounts from payments, or are likely to withhold amounts, the payee may give you this form with Section A completed. A *Withholding declaration* applies to payments made after the declaration is provided to you. The information provided on this form is used to determine the amount of tax to be withheld from payments based on the PAYG withholding tax tables published by the Tax Office. If the payee gives you another declaration, it overrides any previous declarations.

Storing and disposing of withholding declarations

The information in the completed *Withholding declaration* form must be treated in confidence. Once you have completed, signed and dated the declaration, file the declaration form.

Do not send the declaration to the Tax Office.

Under the TFN guidelines in the *Privacy Act 1988*, you must use secure methods when storing and disposing of TFN information. Under tax laws, if a payee submits a new *Withholding declaration* or leaves your employment, you must still keep this declaration for the current and next financial year.

Declaration

Make sure that you have signed and dated the declaration. Give your completed declaration to your payer.

➤ MORE INFORMATION

Useful Products

You can get the following forms and publications from www.ato.gov.au/onlineordering or by phoning **1300 720 092** (some of these products are also available from most newsagents):

- *Tax file number declaration* (NAT 3092)
- *Withholding declaration* (NAT 3093)
- *Tax file number - application or enquiry for an individual* (NAT 1432)
- *Tax file numbers* (NAT 1753)

You can access *Changes to income tests* (NAT 72974) from www.ato.gov.au

Internet

- Visit www.ato.gov.au – download publications, rulings and other general tax information.

Phone

- Personal tax enquiries phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday. You can get help to complete this form, receive information about claiming the tax-free threshold, Australian residency and senior Australians tax offset.
- PAYG withholding variation enquiries phone **1300 360 221** between 8.00am and 6.00pm, Monday to Friday. You can also receive information on claiming the tax offset if you have income from more than one source.

Other Services

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you are deaf, or have a hearing or speech impairment, you can contact us through the National Relay Service. If you are:

- a TTY user, phone **13 36 77** and quote the number you need
- a Speak and Listen (speech-to-speech relay) user, phone **1300 555 727** and quote the number you need
- an internet relay user, connect to the NRS on www.relayservice.com.au and quote the number you need.

If you would like further information about the National Relay Service, phone **1800 555 660** or email helpdesk@relayservice.com.au

Other agencies

Centrelink

For help working out your eligibility for a social security or Centrelink pension:

- visit www.centrelink.gov.au
- phone **13 23 00** between 8.30am and 5.00pm, Monday to Friday.

Department of Veterans' Affairs

If you are a veteran and not sure whether you are eligible for a payment:

- visit www.dva.gov.au
- phone **13 32 54** between 8.30am and 5.00pm, Monday to Friday.



Complete this declaration to authorise your payer to adjust the amount of tax withheld from payments made to you.

You must provide, or have previously provided, your payer with a completed *Tax file number declaration* (NAT 3092) (or *Employment declaration* or *Annuity and superannuation pension declaration* completed before 1 July 2000), quoting your tax file number or claiming an exemption from quoting it, before you can make a *Withholding declaration*.

! The information in the completed *Withholding declaration – short version for senior Australians* form must be treated in confidence.

- Read the Instructions before completing this declaration.
- Print neatly in BLOCK LETTERS and use a black or dark blue pen.
- Print in the appropriate boxes.

Section A: Payee's declaration

➤ To be completed by payee.

1 What is your name? Title: Mr Mrs Miss Ms Other

Family name

Given names

2 What is your date of birth? / /

Day Month Year

3 What is your tax file number (TFN)?

If you have not provided your TFN, indicate if any of the following reasons apply:

- I have lodged a TFN application. I am claiming an exemption because I am a pensioner.

➤ See 'Privacy of information' inside the front cover of the Instructions.

4 This question has been removed. Refer to question 4 in the instructions.

5 Are you an Australian resident for tax purposes? Yes No You must answer 'NO' at questions 6.

6 Are you claiming or do you want to claim the tax-free threshold from this payer? Yes No

7 Do you want to claim the senior Australians tax offset by reducing the amount withheld from payments made to you? Yes No

- Are you:
- Single A member of an illness-separated couple A member of a couple

DECLARATION BY PAYEE

I declare that the information I have given on this form is true and correct.

Signature of payee

● There are penalties for deliberately making a false or misleading statement.

Date / /

Day Month Year

Section B: Payer's declaration

 To be completed by payer.

 The information in the completed *Withholding declaration – short version for senior Australians* form must be treated in confidence.

YOUR DETAILS

1 What is your Australian business number (ABN) (or your withholding payer number if you are not in business)?

4 4 0 7 2 4 8 6 9 3 8

2 What is your registered business name or trading name (or your individual name if you are not in business)?

CHALLENGER LIFE COMPANY LIMITED


 HOW MUCH SHOULD YOU WITHHOLD?

The payee's answers at questions 5 and 6 will indicate which of the weekly, fortnightly or monthly tax tables you should use as the base rate of withholding.

A 'YES' answer at question 7 will generally require a variation of the rate of withholding specified in the tax tables.

DECLARATION BY PAYER

I declare that the information I have given on this form is true and correct.

 There are penalties for deliberately making a false or misleading statement.

Signature of payer

Date

| | | | | | | | | | |
|-----|--|--|-------|--|--|------|--|--|--|
| Day | | | Month | | | Year | | | |
| | | | | | | | | | |

WRITTEN NOTICE

This declaration will constitute written notice under section 15-15 of Schedule 1 to the *Taxation Administration Act 1953* of the Commissioner's approval to vary the amount required to be withheld where:

- the payee has notified the payer of the varied rate of withholding in writing on this approved form at Section A, and
- the varied rate or increased amount of withholding results in a higher amount of withholding than would otherwise apply under the PAYG withholding tax tables or by regulation for the relevant withholding event, or
- the rate of withholding indicated by the payee results in a lesser amount of withholding than would otherwise apply under the PAYG withholding tax tables or by regulation for the relevant withholding event (then the latter rate applies), and
- the payee has given a completed *Tax file number declaration* (or *Employment declaration* or *Annuity and superannuation pension declaration*) to the payer, or they have entered into a voluntary agreement with the payer.

STORING AND DISPOSING OF WITHHOLDING DECLARATIONS

The information in the completed *Withholding declaration* form must be treated in confidence. Once you have completed, signed and dated the declaration, you should file it. **Do not send it to the Tax Office.**

Under the TFN guidelines in the *Privacy Act 1988*, you must use secure methods when storing and disposing of TFN information. Under tax laws, if a payee submits a new *Withholding declaration* or leaves your employment, you must still keep this declaration for the current and next financial year.

 Do not send this declaration form to the Tax Office.



Investor Services 13 35 66
Adviser Services 1800 621 009
Facsimile 02 9994 7777

GPO Box 3698 Sydney NSW 2001

To the Trustee

The Challenger Guaranteed Income Plan is an immediate annuity product which can accept unrestricted non-preserved Superannuation Rollovers/Transfers or ordinary savings.

All cheques should be made payable to 'Challenger Life Company Limited <insert the name of the investor>'.

The contact details of the Plan are: GPO Box 3698
 Sydney NSW 2001
 Ph: 13 35 66

If further assistance or information is required, please do not hesitate to contact our Investor Services team.

Yours faithfully

Challenger Life Company Limited

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Application form checklist – Superannuation Fund, Trust or Company

To ensure that we are able to process your application quickly and efficiently, please cross (X) each box to confirm that you have completed each section below. If you are an individual, please refer to the checklist on page 28.

| Required information | Section of form |
|--|---|
| | Application Form for Australian Companies, Trusts, Superannuation Funds, Partnerships and Government Bodies |
| Investment details – Nominate whether you are a new investor or whether you already have an investment in a Guaranteed Income Plan. | <input type="checkbox"/> Section 1 |
| Investor type – Nominate what type of investor you are. | <input type="checkbox"/> Section 2 |
| Investor name (Policy owner) – Provide full name(s) of investor(s). For companies, this must be the full name as registered with ASIC. For trustees who are Australian companies, the full registered business name and name registered with ASIC are required. | Individual or company trustees and partners <input type="checkbox"/> Section 3A; and <input type="checkbox"/> Section 3B Name of entity <input type="checkbox"/> Section 3C Full registered business name for partnerships (if applicable) <input type="checkbox"/> Section 3D |
| Contact details/Principal place of business – Provide residential address, principal place of business/operations and/or registered office address as applicable. Trusts, superannuation funds and partnerships do not need to complete these sections. | Companies' and government bodies' principal place of business <input type="checkbox"/> Section 4A Companies' registered office <input type="checkbox"/> Section 4B |
| Postal address – Provide postal address to which all correspondence will be sent. | <input type="checkbox"/> Section 5 |
| Tax information – Provide your ABN, TFN or TFN exemption as applicable. If you are an overseas individual investor, provide country of residence for tax purposes. | <input type="checkbox"/> Section 6 |
| Life Insured details – Complete in full the Life Insured's details. Note: Proof of age must be provided for the Life Insured and, if selected, Reversionary Life Insured. | Individual investors <input type="checkbox"/> Section 7A Reversionary Life Insured <input type="checkbox"/> Section 7B |
| Investment details – Indicate the amount you wish to invest in the Plan. | <input type="checkbox"/> Section 8 |
| Plan options – Indicate which Plan options you would like. | <input type="checkbox"/> Section 9 |
| Financial institution account details – Provide the financial institution account details for the account in to which you wish your income payments to be made. | <input type="checkbox"/> Section 10 |

Application form checklist – Superannuation Fund, Trust or Company

| Required information | Section of form |
|---|--|
| | Application Form for Australian Companies, Trusts, Superannuation Funds, Partnerships and Government Bodies |
| Customer identity verification – Complete all required information relating to your investment including providing valid certified copies of all required identity verification documents (see below) to your financial planner or to Challenger with your application. | Companies <input type="checkbox"/> Section 11A Trusts/superannuation funds <input type="checkbox"/> Section 11B Partnerships <input type="checkbox"/> Section 11C Government bodies <input type="checkbox"/> Section 11D |
| Identity verification documents It is important you provide all the required identity verification documents outlined in the application form. If your application form is not complete or you do not provide the required documentation, we may be unable to process your application or may delay the processing of future withdrawal requests until we receive the required documents. If any documentation you provide is not in English, it must be accompanied by an original copy of an English translation prepared by an accredited translator. | <input type="checkbox"/> Valid identity verification documents provided |
| Additional customer identity verification – Provide additional identity verification information if you are: • Charities, aid organisations or foundations. | <input type="checkbox"/> Section 12 |
| Declaration and applicant(s) signature(s) – Read the declaration and provide all relevant applicant(s) signature(s). Refer to the table on the following page for a summary of signatures required for each type of investor. | <input type="checkbox"/> Section 13 |
| Guaranteed Income Plan quotation | Your quotation is valid for a period of seven days from the date shown on the quotation. If a valid quotation is not included with your application form and investment monies, you will receive the initial income payments applicable on the day your application and investment monies are processed by us. |

Before sending us your application, please ensure you have:

- completed, in full, the application form;
- provided all identity verification documentation.

Please post all documentation (no stamp required) to:

Challenger Life Company Limited
Reply Paid 3698
Sydney NSW 2001

Alternatively, you can lodge the application form, quotation and cheque through your financial planner.

Signatories

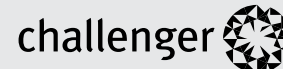
The table below provides guidance on completing the 'Declaration and applicant(s) signature(s)' section of the application form. Please ensure you have read the declaration before signing the application form.

| Type of investor | Names required | Signature required | TFN to be provided |
|---|---|---|---|
| Australian company | <ul style="list-style-type: none"> i. Full company name as registered with ASIC; and ii. Name of each director of the company; and iii. Name of each beneficial owner where their holding is 25% or greater. | <ul style="list-style-type: none"> i. Sole director's; or ii. Two directors'; or iii. One director's and company secretary's. | Company's |
| Trust/Superannuation fund If you are investing on behalf of a superannuation fund, we will assume the superannuation fund to be a complying fund under the Superannuation Industry (Supervision) Act. | <ul style="list-style-type: none"> i. Full trust/superannuation fund name (e.g. Michael Smith Pty Ltd ATF Michael Smith Pty Ltd Super Fund); and ii. Full name of the trustee(s) in respect of the trust/super fund (either individual(s) or business name). Please note, if any of the trustees are an Australian company, all information in the 'Australian company' section must also be completed; and iii. Names of beneficiaries (if identified in Trust Deed). | Individual trustee(s) 'as trustee for' If any of the trustees are an Australian company, the signatures set out in the 'Australian company' section are also required. | Superannuation fund's or trust's |
| Partnership | <ul style="list-style-type: none"> i. Full name of partnership; and ii. Full registered business name of partnership; and iii. Full name of each partner. | Each partner's | Partnership's |
| Government entity | <ul style="list-style-type: none"> i. Full name of government body; and ii. Full name of primary authorised contact. | Primary authorised contact's | Government body's |
| Account designation | Name of the responsible adult, as the investor. | Adult(s) investing on behalf of the person/minor | Adult(s) |
| If the investment is being made under Power of Attorney (POA) Please ensure an original certified copy of the POA is attached to the application form. Each page of the POA must be certified. | <ul style="list-style-type: none"> i. Full name of each investor(s) (as listed in section 3); and ii. Full name of person holding POA (underneath signature). | Person holding Power of Attorney In the case that the POA document does not contain a sample of the attorney's signature, please provide a certified copy of either the attorney's driver's licence or passport containing a sample of their signature. | Individual investor's; or each joint investor's |

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Challenger Guaranteed Income Plan (Liquid Lifetime) Application Form – Superannuation Fund, Trust or Company (Issue date: 20 August 2010)



PLEASE USE BLOCK LETTERS AND BLACK INK TO COMPLETE THIS APPLICATION FORM

1. Investment details

Office use only

Do you have an existing investment in a Challenger Guaranteed Income Plan?

Yes ▶ Existing account name

Existing account number

Please proceed to **section 8**. If you provide any information in any other section, this will override any previous information provided.

No ▶ Please proceed to **section 2**.

2. Investor type

Please nominate what type of entity is investing and ensure that you complete, in full, the relevant customer identity verification section for the entity.

| | Type of entity | Required customer identity verification |
|--|---|--|
| i. What entity is investing? | <input type="checkbox"/> Australian company | ▶ Section 11A |
| | <input type="checkbox"/> Australian trust/ superannuation fund | ▶ Section 11B. If the trust has a company trustee, the company trustee must also complete section 11A. |
| | <input type="checkbox"/> Partnership | ▶ Section 11C |
| | <input type="checkbox"/> Government body | ▶ Section 11D |
| | <input type="checkbox"/> Other | ▶ Please contact us on 13 35 66 for customer identity verification requirements. |
| ii. Is this entity also a charity, aid organisation or foundation? | <input type="checkbox"/> Yes ▶ Please also complete section 12. | |
| | <input type="checkbox"/> No ▶ Please proceed to the next section. | |

3. Investor name (Policy owner)

Individual trustees or partners need to provide their full name under investor 1 and 2 (if applicable). For trustees who are an Australian company, please provide full registered business name of company in section 3A and name registered with ASIC in section 3C. Partnerships need to provide the full registered business name of the partnership in section 3D.

3A. Investor 1 (Individual trustee or company trustee or partner)

Individual trustees or partners need to provide their full name and company trustees need to provide full registered business name of company.

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms) Date of birth / /

Name of company trustee (if applicable)

3B. Investor 2 (Individual trustee or partner)

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms) Date of birth / /

3C. Full name of company/trust/superannuation fund/partnership or government body

For companies, this must be the full name as registered with ASIC.

The Challenger Guaranteed Income Plan PDS dated 20 August 2010 gives information about investing in the Plan. Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) is the Issuer of the Plan. Any person who gives another person access to this application form must also give the person access to the Challenger Guaranteed Income Plan PDS and any supplementary PDS. You should read the PDS before completing this application form.

Challenger Life Company Limited or a financial planner who has provided an electronic copy of the PDS will send you a paper copy of the PDS and any supplementary document and application form free of charge if you so request during the period of the offer specified in the PDS.



7. Life Insured

7A. Life Insured

Please ensure that you attach a certified copy of the Life Insured's Driver's Licence, Passport, Birth Certificate or other identity document that contains the person's date of birth.

Do you already have an investment in the Challenger Guaranteed Income Plan? Yes No Account No. (if known) _____

Surname _____

Given name(s) _____

Title (Mr/Mrs/Miss/Ms) _____ Date of birth ____/____/____ Age Male Female

Telephone (home) _____ Telephone (work) _____

Facsimile _____ Mobile _____

Email address _____

Residential address (street address) _____

Suburb/town _____ Postcode _____

Country _____

7B. Reversionary Life Insured (Optional)

Please ensure that you attach a certified copy of the Reversionary Life Insured's Driver's Licence, Passport, Birth Certificate or other identity document that contains the person's date of birth.

Do you already have an investment in the Challenger Guaranteed Income Plan? Yes No Account No. (if known) _____

Surname _____

Given name(s) _____

Title (Mr/Mrs/Miss/Ms) _____ Date of birth ____/____/____ Age Male Female

Telephone (home) _____ Telephone (work) _____

Facsimile _____ Mobile _____

Email address _____

Residential address (street address) _____

Suburb/town _____ Postcode _____

Country _____

8. Investment details

Amount to be invested \$ _____ (minimum \$10,000).

9. Plan options – please complete all sections

Benefit Reduction Option (If no selection is made, the default is Nil)

Nil **or** 25% 50%

Payment frequency (If no frequency is selected, the default is monthly)

Monthly Quarterly Half-yearly Yearly

No commutation option (If no selection is made, the default is No)

Is this a non-commutable annuity?

Yes No

Wealth Focus Pty Ltd
PO Box 760
Manly, NSW 1655
Tel: 1300 559 869
AFSL: 314872



11. Customer identity verification

If you marked 'No' in section 1 (i.e. you do not have an existing investment in a Challenger managed fund) you must complete the identity verification section relevant to your entity. If you are not lodging this application through a financial planner, you are required to provide us certified copies of the identity verification documents listed (ensuring each page is certified). Please see page 16 of this PDS.

11A. Australian company

- i. Is your company an:
 - Australian company acting as trustee of a trust/superannuation fund; or
 - Australian company.
- ii. What is the ACN of the company?
- iii. Is your company registered by ASIC as a:
 - public company; or
 - proprietary company. Please provide number and full names of directors below.

No. of directors Please provide full name of each director.

| | Surname | Full given name(s) |
|----|----------------------|----------------------|
| 1. | <input type="text"/> | <input type="text"/> |
| 2. | <input type="text"/> | <input type="text"/> |
| 3. | <input type="text"/> | <input type="text"/> |
| 4. | <input type="text"/> | <input type="text"/> |

If there are more than four (4) directors, please provide their full names on a separate piece of paper and attach it to this application form.

- iv. Is your company:
 - licensed by an Australian Commonwealth, State or Territory statutory regulator; or
 - a listed company; or
 - a majority owned subsidiary of an Australian listed company.
- v. Unregulated proprietary companies must provide contact details of ALL individuals who are beneficial owners through one or more shareholdings of more than 25% of the company's issued capital.

Beneficial owner 1

| | | | |
|-------------|----------------------|--------------------|--|
| Surname | <input type="text"/> | Full given name(s) | <input type="text"/> |
| Unit | Street number | Date of birth | <input type="text"/> / <input type="text"/> / <input type="text"/> |
| Street name | | | |
| Suburb | | | |
| State | Postcode | Country | |

Beneficial owner 2

| | | | |
|-------------|----------------------|--------------------|--|
| Surname | <input type="text"/> | Full given name(s) | <input type="text"/> |
| Unit | Street number | Date of birth | <input type="text"/> / <input type="text"/> / <input type="text"/> |
| Street name | | | |
| Suburb | | | |
| State | Postcode | Country | |

Beneficial owner 3

| | | | |
|-------------|----------------------|--------------------|--|
| Surname | <input type="text"/> | Full given name(s) | <input type="text"/> |
| Unit | Street number | Date of birth | <input type="text"/> / <input type="text"/> / <input type="text"/> |
| Street name | | | |
| Suburb | | | |
| State | Postcode | Country | |



11A. Australian company (cont.)

vi. Identity verification for Australian companies

| Information required to be verified Please ensure the document(s) you provide confirms the following: | Verification options Please cross (X) which document(s) you have provided: |
|---|---|
| i. Whether the company is: <ul style="list-style-type: none"> • listed; or • majority owned subsidiary of a listed company; or • regulated. ii. If the company is none of these, the: <ul style="list-style-type: none"> • full name of company; and • whether company is registered as proprietary or public company; and • ACN. iii. Evidence that the director(s)/secretary signing the application form has the authority of the company. | <input type="checkbox"/> Up-to-date extract from ASIC database; or <input type="checkbox"/> Up-to-date extract from ASX database (if applicable); or <input type="checkbox"/> Certificate of registration issued by ASIC. |

11B. Australian trust/superannuation fund

i. Is your trust/superannuation fund a:

- Registered scheme
- Regulated trust
- Government superannuation fund
- Other. Please specify

ii. If you marked 'Other' above, please indicate how the trust deed identifies beneficiaries/unitholders:

- Names of individuals (please list the name of each beneficiary/unitholder below); and/or
- Membership of a class (please list the name of each membership class below).

Full names of beneficiaries/unitholders or membership class

| | |
|----|--|
| 1. | |
| 2. | |
| 3. | |
| 4. | |
| 5. | |

iii. Identity verification for Australian trusts/superannuation funds

| Information required to be verified Please ensure the document(s) you provide confirms the following: | Verification options Please cross (X) which document(s) you have provided: |
|---|--|
| <ul style="list-style-type: none"> • Full name of trust/superannuation fund; and • Type of trust/superannuation fund. | Registered schemes, regulated trusts or government superannuation funds <input type="checkbox"/> Up-to-date extract from the relevant regulator database (e.g. ASIC, ATO); or <input type="checkbox"/> Up-to-date extract of the legislation establishing the government superannuation fund sourced from a government website. |
| <ul style="list-style-type: none"> • Full name of trust/superannuation fund. | Other trusts <input type="checkbox"/> Extract of the trust deed; or <input type="checkbox"/> Notice issued by the ATO within the last 12 months (e.g. notice of assessment). |

iv. No. of trustees

v. Is the trustee(s) of the trust/superannuation fund:

- Individual(s) If you marked 'Other' in question i above, please provide details for ALL TRUSTEES on the next page (including any company trustees).
For all other trusts/superannuation funds you only need to provide details of TRUSTEE 1 (as named in section 3A).
- Australian company Please provide the company's address details requested under the section 'Company trustee' on page 69. You must also complete, in full, the identity verification requirements for Australian companies in section 11A.



11B. Australian trust/superannuation fund (cont.)

Individual trustee 1

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms) Date of birth / /

Residential address (Street address)

Unit Street number

Street name

Suburb State

Postcode Country

TFN or exemption

Trustee 1 must also complete the 'Identity verification' section on page 70 of this application form.

Individual trustee 2

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms) Date of birth / /

Residential address (Street address)

Unit Street number

Street name

Suburb State

Postcode Country

If there are more than two (2) individual trustees, and your trust is 'Other' please provide the required details for the additional trusts on a separate piece of paper and attach it to this application form.

Company trustee This must be completed by Australian companies acting as trustees

Contact name

Principal place of business/operations

Full address of registered office

Cross (X) this box if same as principal place of business.

Must not be a PO Box

Must not be a PO Box

| | | | | | | | | | | | | | | | | | | | |
|---------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Unit number | | | | | | | | | | | | | | | | | | | |
| Street number | | | | | | | | | | | | | | | | | | | |
| Street name | | | | | | | | | | | | | | | | | | | |
| Suburb | | | | | | | | | | | | | | | | | | | |
| State | | | | | | | | | | | | | | | | | | | |
| Postcode | | | | | | | | | | | | | | | | | | | |
| Country | | | | | | | | | | | | | | | | | | | |



11B. Australian trust/superannuation fund (cont.)

vi. Identity verification for individual trustees where trustee 1 is an Australian resident

| Information required to be verified Please ensure the document(s) you provide confirms the following: | Verification options Please cross (X) which document(s) you have provided: |
|---|--|
| <ul style="list-style-type: none"> • Full name of individual; and EITHER <ul style="list-style-type: none"> – Residential address of individual; or – Date of birth | <p>Please provide EITHER A or B.</p> <p>A) a valid copy of ONE of the following documents:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Australian driver's licence containing your photograph; or <input type="checkbox"/> Australian passport; or <input type="checkbox"/> Proof of age card issued under a State or Territory law, containing your photograph. <p>OR if none of the above can be provided, please provide i and ii below:</p> <p>B) i. a valid copy of ONE of the following documents:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Australian birth certificate; or <input type="checkbox"/> Australian citizenship certificate; or <input type="checkbox"/> Pension card issued by Centrelink; or <input type="checkbox"/> Health care card issued by Centrelink; AND <p>ii. a valid copy of a notice that contains your name and residential address which was issued to you by either:</p> <ul style="list-style-type: none"> <input type="checkbox"/> the Commonwealth or a State or Territory within the preceding 12 months and records the provision of financial benefits; or <input type="checkbox"/> the ATO within the preceding 12 months and records a debt payable by or to you; or <input type="checkbox"/> a local government body or utilities provider within the preceding 3 months and records the provision of services to you. |

vii. Identity verification for individual trustees where trustee 1 is a non-Australian resident

| Information required to be verified Please ensure the document(s) you provide confirms the following: | Verification options Please cross (X) which document(s) you have provided: |
|---|--|
| <ul style="list-style-type: none"> • Full name of individual; and EITHER <ul style="list-style-type: none"> – Residential address of individual; or – Date of birth | <p>Please provide EITHER A or B.</p> <p>A) a valid copy of ONE of the following documents:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Foreign passport or similar travel document bearing your signature and photograph; or <input type="checkbox"/> National identity card issued by a foreign government bearing your signature and photograph. <p>OR if none of the above can be provided, please provide:</p> <p>B) valid copies of TWO of the following documents:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Foreign driver's licence that contains your photograph; and/or <input type="checkbox"/> Citizenship certificate issued by a foreign government; and/or <input type="checkbox"/> Birth certificate issued by a foreign government. |

11C. Partnership

- i. In what country was the partnership established?
- ii. Is the partnership regulated by a professional association?
 Yes ► Please provide full details below for PARTNER 1 (this should be the same person listed as 'Investor 1' in section 3A) including the 'Identity verification' section for partner 1 on page 72.

Name of the professional association
Membership details
(e.g. Membership number)

- No ► Please provide full details below of ALL partners including the 'Identity verification' section for partner 1 on page 72.

Partner 1

Surname

Full given name(s)

Residential address

Unit Street number

Street name

Suburb State

Postcode Country

Date of birth / /

Phone

Partner 1 must also complete the 'Identity verification' section on page 72 of this application form.

Partner 2

Surname

Full given name(s)

Residential address

Unit Street number

Street name

Suburb State

Postcode Country

Date of birth / /

Phone

If there are more than two (2) partners, please provide the required details for each additional partner on a separate piece of paper and attach it to this application form.

11C. Partnership (cont.)

iii. Identity verification for Partnerships

| Information required to be verified Please ensure the document(s) you provide confirms the following: | Verification options Please cross (X) which document(s) you have provided: |
|---|--|
| <ul style="list-style-type: none"> • Full name of partnership • The partner(s) signing the application form is a/are current partner(s) of the partnership. | <input type="checkbox"/> Up-to-date extract of partnership agreement; and <input type="checkbox"/> If the partnership agreement does not confirm that the partner(s) signing is a/are current partner(s), other evidence that the person(s) is a/are current partner(s) |

iv. Identity verification for partner 1 where they are an Australian resident

| Information required to be verified Please ensure the document(s) you provide confirms the following: | Verification options Please cross (X) which document(s) you have provided: |
|--|--|
| <ul style="list-style-type: none"> • Full name of individual; and EITHER: <ul style="list-style-type: none"> – Residential address of individual; or – Date of birth | Please provide EITHER A or B. A) a valid copy of ONE of the following documents: <ul style="list-style-type: none"> <input type="checkbox"/> Australian driver's licence containing your photograph; or <input type="checkbox"/> Australian passport; or <input type="checkbox"/> Proof of age card issued under a State or Territory law, containing your photograph. OR if none of the above can be provided, please provide i and ii below: B) i. a valid copy of ONE of the following documents: <ul style="list-style-type: none"> <input type="checkbox"/> Australian birth certificate; or <input type="checkbox"/> Australian citizenship certificate; or <input type="checkbox"/> Pension card issued by Centrelink; or <input type="checkbox"/> Health care card issued by Centrelink; AND ii. a valid copy of a notice that contains your name and residential address which was issued to you by either: <ul style="list-style-type: none"> <input type="checkbox"/> the Commonwealth or a State or Territory within the preceding 12 months and records the provision of financial benefits; or <input type="checkbox"/> the ATO within the preceding 12 months and records a debt payable by or to you; or <input type="checkbox"/> a local government body or utilities provider within the preceding 3 months and records the provision of services to you. |

v. Identity verification for partner 1 where they are a non-Australian resident

| Information required to be verified Please ensure the document(s) you provide confirms the following: | Verification options Please cross (X) which document(s) you have provided: |
|--|---|
| <ul style="list-style-type: none"> • Full name of individual; and EITHER: <ul style="list-style-type: none"> – Residential address of individual; or – Date of birth | Please provide EITHER A or B. A) a valid copy of ONE of the following documents: <ul style="list-style-type: none"> <input type="checkbox"/> Foreign passport or similar travel document bearing your signature and photograph; or <input type="checkbox"/> National identity card issued by a foreign government bearing your signature and photograph. OR if none of the above can be provided, please provide: B) valid copies of TWO of the following documents: <ul style="list-style-type: none"> <input type="checkbox"/> Foreign driver's licence that contains your photograph; and/or <input type="checkbox"/> Citizenship certificate issued by a foreign government; and/or <input type="checkbox"/> Birth certificate issued by a foreign government. |

13. Declaration

I/We declare that:

- all details in this application and all documents provided are true and correct and I/we indemnify Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) against any liabilities whatsoever arising out of it acting on any of these details or any future details provided by me/us in connection with this application;
- I/we have received a copy of the current PDS to which this application applies and have read it and agree to the offer contained in it and to be bound by the provisions of the policy and this PDS. In the event of any inconsistency between the PDS and policy terms, I/we acknowledge that the policy terms prevail;
- I/we have legal power to invest in accordance with this application and have complied with all applicable laws in making this application;
- I/we have received and accepted this offer in Australia;
- the details of my/our investment can be provided to the dealer group or adviser by the means and in the format that they direct;
- I/we understand that the application form, together with any superannuation benefit statement (if applicable) and Challenger quotation will be relied upon by Challenger Life Company Limited in its decision to issue a Guaranteed Income Plan policy. Where the information on the quotation differs to that on the application form, the policy will be based on the information provided on the application form;
- if this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this application unless we have already sighted it);
- I/we have read and understood the terms and conditions for the use of fax communications and release and indemnify Challenger Life Company Limited against any liabilities whatsoever arising out of it acting on any communications received by fax;
- I/we agree to provide proof of life when requested by Challenger Life Company Limited;
- I/we acknowledge that I/we have read the pages of the PDS containing the information under the heading 'Privacy and personal information'. I am/We are aware that until I/we inform Challenger Life Company Limited otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading and I/we have consented to the provision of and authorised (if applicable) my/our financial planner to provide such personal information to the Challenger Group as is required or reasonably deemed necessary by the Challenger Group under applicable law;
- I/we understand that if I/we fail to provide any information requested in this application form or do not agree to any of the possible exchanges or uses detailed above, my/our application may not be accepted by Challenger Life Company Limited and I/we agree to release and indemnify Challenger Life Company Limited in respect of any loss or liability arising from its inability to accept an application due to inadequate or incorrect details having been provided;
- I/we confirm that I am/we are not holding the Plan on behalf of anybody else.

Policy Owner

Policy Owner 1

Signature

Date

Surname

Given name(s)

Capacity

Sole Director

Director

Secretary (company investments only)

Policy Owner 2

Signature

Date

Surname

Given name(s)

Capacity

Director

Secretary (company investments only)

COMPANY
SEAL

Important notes

This application must not be handed to any person unless attached to this PDS dated 20 August 2010. Challenger may in its absolute discretion refuse any application for a policy. Persons external to the Challenger Group or other entities who market Challenger Group products are not agents of any entity in the Challenger Group but are independent investment advisers. Challenger will not be bound by representations or statements which are not contained in information disseminated by Challenger. Application monies paid by cheques from investment advisers will only be accepted if drawn from a trust account maintained in accordance with the Corporations Act. This Plan is offered by Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670).

Wealth Focus Pty Ltd
PO Box 760
Manly, NSW 1655
Tel: 1300 559 869
AFSL: 314872



14. Adviser details

By signing this section:

- I declare that the attached documents are true copies of the documents used to satisfy the customer identity verification requirements and I have complied with my obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.
- I have provided the required additional identity verification information and documents and understand that income and maturity payments will be withheld until any additional information required is provided.
- I have provided the required proof of age documentation for the Life Insured and, if applicable, the Reversionary Life Insured.

Adviser full name

Adviser group name

Adviser group AFSL No.

Adviser telephone

Signature
(please sign)

Date

InvestmentLink information

IL GN (Group)

Upfront commission

The maximum payable is 0.55% (incl. GST) multiplied by the term of the annuity up to a maximum of 3.3%. If you have not selected a variation to upfront commission on the quotation, the default level is maximum.

Please indicate the level of upfront commission you wish to receive . %
(As per attached quotation)

Ongoing commission

The maximum payable is 0.55% p.a. (incl. GST). If you have not selected a variation to ongoing commission on the quotation, the default level is 0.275% p.a. (incl. GST).

Please confirm the level of ongoing commission you wish to receive 0 . %
(As per attached quotation)



Level 15
255 Pitt Street
Sydney NSW 2000
telephone 02 9994 7000
facsimile 02 9994 7777

Level 33
101 Collins Street
Melbourne VIC 3000
telephone 02 9994 7000
facsimile 02 9994 7777

Level 7
320 Adelaide Street
Brisbane QLD 4000
telephone 07 3218 8000
facsimile 07 3218 8007

Level 2
168 St Georges Terrace
Perth WA 6000
telephone 08 9223 7800
facsimile 08 9221 2499

Level 3
97 Pirie Street
Adelaide SA 5000
telephone 08 7129 4402
facsimile 08 8232 4446

Investor Services
13 35 66
Adviser Services
1800 621 009
www.challenger.com.au

