

# COMMINSURE GUARANTEED ANNUITIES.

Lifestream Guaranteed Income

Issued: 1 July 2017

ADVISER USE ONLY

**Comm**Insure



# THE RETIREMENT LANDSCAPE IS CHANGING.

**Australians are now living longer than ever before, which means super and savings have to stretch further. Having flexible and reliable retirement plans that preserve wealth for the future is vital.**

Advisers can help clients plan for the future by developing financial strategies that protect income through secure, longer term investments and which also have tax benefits to help maximise returns.<sup>1</sup>

## **GUARANTEED ANNUITIES**

A guaranteed annuity is a simple and secure investment that provides guaranteed regular income, either for a fixed term or for the rest of your client's life.

An initial lump sum is invested, either from super or personal savings, and payments are then made based on the amount invested, the investment term and the frequency of payments. As guaranteed annuities aren't affected by share market movements or interest rate fluctuations, retirees can rely on this secure and consistent source of income for all their daily living expenses and costs, such as groceries, petrol and bills.

Annuities are particularly suitable for:

- Individuals or couples who are in retirement and want a guaranteed income stream from annuities.
- Individuals or couples who want to make financial provisions over the longer term in the form of a guaranteed income.
- Individuals who want to make specific provisions for beneficiaries as part of their succession planning.
- Australian companies, trusts or funds with capital to invest that want a guaranteed and regular source of investment income.

## **LIFESTREAM GUARANTEED INCOME**

Commlnsure Lifestream Guaranteed Income has three different investment options.

Type of annuity	Term
Short Term income	1 to 5 years
Long Term income	6 to 30 years
Lifetime income	Lifetime

## **BENEFITS**

There are many reasons to invest in a Commlnsure Lifestream Guaranteed Income annuity:

- Capital and income are guaranteed.
- Income rates can be fixed or indexed in line with inflation.
- Investment terms can be fixed (short, long) or lifetime. Payments can be made monthly, quarterly, half yearly or yearly.
- Death benefit payments apply for fixed term annuities and Lifetime annuities during the Guaranteed Period.
- No additional ongoing management fees.
- Tax-free income payments for most people who invest with super money.
- Tax on payments can also be reduced by tax offset entitlements for people aged between 56 and 59 who invest with their super.
- Minimum investment amount is \$10,000.<sup>2</sup>
- Some or all capital (residual capital value) can be returned at the end of the term.

**COMMINSURE GUARANTEED ANNUITIES ARE SUPPORTED BY A PRUDENT INVESTMENT APPROACH AND OFFER SECURE, REGULAR INCOME AT COMPETITIVE RATES.**

## FEATURES AT A GLANCE

### Lifestream Guaranteed Income annuities

Terms available	1–30 years and Lifetime
Investment by individuals	Yes
Super and non super investments available	Yes
Investments in two names (non super only)	Yes
Minimum investment	\$10,000
Maximum investment	No maximum for investments made with personal savings. Maximum of \$1.6 million for investments made with super money.
Payment frequency	Monthly, quarterly, half yearly, yearly
Residual Capital Value	Only available for fixed term investments
Indexation	CPI or fixed rate up to eight per cent p.a. (fixed terms six years + and Lifetime)
Full withdrawal	Available at any time <sup>3</sup> on fixed term annuities and during the Guaranteed Period for Lifetime Income annuities
Partial withdrawals	Only available for personal savings invested in a fixed term income option
Death Benefit	Available for fixed term annuities and Lifetime Income annuities with a Guaranteed Period.

### LIFESTREAM GUARANTEED INCOME ANNUITIES AS PART OF A DIVERSIFIED PORTFOLIO

An important part of any retirement plan is how to manage risk. Advisers can help clients layer their income streams, diversify their investments and reduce their exposure to risk. A guaranteed annuity, as part of a balanced portfolio, can provide a secure and guaranteed source of income to meet every day needs, allowing clients to better manage their cash flow, deal with the unexpected and plan for their future lifestyle with confidence.

### ABOUT COMMINSURE

CommInsure is one of Australia's leading insurance and annuities providers with over four million customers. We are committed to meeting the insurance, retirement and investment needs of individual Australians. With roots dating back more than 140 years we have a long history of financial strength, security and reliability.

As a specialist in the annuities market our responsible approach to investing combines simplicity with competitive rates and responsive service.

### COMMINSURE AND THE RESPONSIBILITIES OF THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY (APRA)

CommInsure is regulated by APRA, the prudential regulator of the Australian financial services industry.

As a life company, we take our commitment to APRA requirements seriously and all monies are invested in a Statutory Fund, which is maintained in accordance with the Life Insurance Act 1995. The principal objective of the Act is essentially to 'protect the interests of the owners and prospective owners of life insurance policies'. The investment model of our Guaranteed Annuities uses high quality assets to underpin our commitment to honour client payments.

# WANT MORE INFORMATION?

If you'd like to know about how a guaranteed annuity can help your clients speak to your local Retirement Business Development Manager.

## NSW/WA/ NT/SA



### Simon Felice

Mobile: 0416 037 066



Email: [Simon.Felice@colonialfirststate.com.au](mailto:Simon.Felice@colonialfirststate.com.au)

## VIC



### Stefanie Bond

Mobile: 0475 954 279



Email: [sbond@colonialfirststate.com.au](mailto:sbond@colonialfirststate.com.au)

## QLD



### Vijay Mathew

Mobile: 0475 955 323



Email: [vijay.mathew@colonialfirststate.com.au](mailto:vijay.mathew@colonialfirststate.com.au)

1 From 1 July 2017 the total amount of superannuation that can be transferred into retirement phase will be capped at \$1.6 million. The cap will be indexed in \$100,000 increments in line with the consumer price index (CPI).

2 There is no limit to the amount an individual can invest with personal savings. For investments made with super money, the maximum amount individuals can invest is \$1.6 million.

3 Clients may get back less than originally invested if their investment is withdrawn early, depending on the rates at the time of their withdrawal.

**Things you should know:** This article was prepared by The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035 (CMLA), a wholly owned but non-guaranteed subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945. It is for the use of advisers only and is not to be issued in full or in part or otherwise made available to members of the public. The information in this document is general information only and does not take into account an individual's objectives, financial situation or needs. Individuals should assess whether the information is appropriate for them and consider talking to a financial adviser before making an investment decision. Individuals should obtain a copy of the Product Disclosure Statement (PDS) before making a decision to invest. Individuals wanting to apply for an annuity will need to complete the application process described in the PDS. Advisers should refer to the PDS and relevant life company policy documents for further clarification. CommInsure is a registered business name of CMLA.

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

CommInsure is not a registered tax (financial) advisers under the Tax Agent Services Act 2009 and you should seek tax advice from a registered tax agent or a registered tax (financial) adviser if you intend to rely on this information to satisfy the liabilities or obligations or claim entitlements that arise, or could arise, under a taxation law. 24127/0717 CIL1803 010717