



# Income Stream Schedule for Veterans' Affairs assessment purposes

This schedule must only be completed by the income stream provider. Under section 128 of the *Veterans' Entitlements Act 1986*, DVA is authorised to obtain information from third parties for the purpose of assessment of a pensioner's entitlements.

## Owner details

NOTE: If jointly owned, still show 100% of investment on form.

DVA Reference  
Number

Surname (owner 1)

Given name(s)  
(owner 1)

Address (owner 1)

Postcode

Surname (owner 2  
if applicable)

Given name(s)  
(owner 2 if  
applicable)

## Provider details

Name of provider

Provider ABN

## Product details

Name of product

Product  
Reference No.  
unique to income  
stream

### Is this an income stream product?

(a) Is this an income stream under at least one of the following:

- Under arrangements that are regulated by the *Superannuation Industry (Supervision) Act 1993*? No ☐ Yes ☐
- Under a retirement savings account (within the meaning of the *Retirement Savings Act 1997*)? No ☐ Yes ☐
- Provided as life insurance business by a life company registered under the *Life Insurance Act 1995*? No ☐ Yes ☐
- Under a public sector superannuation scheme (within the meaning of the relevant Act)? No ☐ Yes ☐

(b) Is the owner the Reversionary Pension Beneficiary to whom this income stream has automatically reverted following the death of the primary pension beneficiary?

No ☐ Yes ☐ - on what date did the income stream revert to the reversionary pension beneficiary?

/ /

(c) Is this income stream subject to a payment split as part of a property settlement on marriage breakdown?

No ☐ Yes ☐

(d) Has this income stream been transferred from another provider under a Successor fund Transfer arrangement?

No ☐ Yes ☐

(e) Is this income stream paid from a Self Managed Superannuation Fund (SMSF) or a Small APRA Fund (SAF)?

No ☐ Yes ☐

5JB or 5JBA of the *Veterans' Entitlements Act 1986* to qualify as an asset-test exempt income stream, then you must provide Veterans' Affairs with the following additional information:

- a current actuarial certificate prepared in accordance with Guidance Note 465 for any Lifetime (s.5JA) or Life Expectancy (s.5JB) income stream. **Warning:** from 1 January 2006 a SMSF or SAF cannot commence a Lifetime or Life Expectancy asset-test exempt income stream; and
- the trust deed from set-up date (including any amendments since set-up) under which the income stream is paid; and
- contracts between the owner of the income stream and the superannuation fund, including Trustee Minutes/Resolutions/Formal Letters which set out the terms and conditions under which the income stream is paid; and
- the Trustee Minute or Resolution specifying whether or not the income stream is indexed and if any indexation is guaranteed.

Please complete the information below relevant to the product:

## Classification details

Lifetime ☐ Life Expectancy ☐ Market Linked ☐ Allocated/Account Based ☐ Term ☐

Commencement Date

/ /

Relevant Number (at commencement)

Is there a Reversionary Pension Beneficiary nominated to whom this income stream will automatically revert upon the death of the primary pension beneficiary?

No ☐

Yes ☐

Residual Capital Value (RCV)

\$

Does this income stream meet **ALL** the characteristics required under sections 5JA, 5JB or 5JBA of the *Veterans' Entitlements Act 1986* to qualify as an asset-test exempt income stream?

No ☐

Yes ☐

(Please use checklist on the pages 6 to 8 for a detailed list of requirements. If the income stream fails any one of these requirements then tick NO)

Original Purchase Price (including fees)

\$

Total Commutations since commencement date (include lump sum withdrawals and rollovers)

\$

Date of the last commutation

/ /

Has this product been purchased with a commutation of another income stream?

No ☐

Yes ☐

Gross amount & frequency of payment

\$

per

## For Allocated, Account Based & Market Linked Products only:

Current account balance

\$

Gross annual payment

\$

pa

## Is the income stream indexed?

No ☐ Yes ☐ - Please give details

Method (e.g. fixed, CPI, trustee defined, other - specify)

Date of next indexation

/ /

Indexation rate if fixed

%



# Income Stream Schedule for Veterans' Affairs assessment purposes

**This schedule must only be completed by the income stream provider.** Under section 128 of the *Veterans' Entitlements Act 1986*, DVA is authorised to obtain information from third parties for the purpose of assessment of a pensioner's entitlements.

## For Lifetime products purchased or acquired on or after 1 July 2019 only:

Date of purchase

Was the income stream purchased with superannuation monies?

No ☐

Yes ☐

Provide details of the payments made to purchase the income stream.

*Purchase payments*

*Date of payment*

\$	/ /
\$	/ /
\$	/ /
\$	/ /

If income stream payments have not yet commenced, what is the date the income stream payments are scheduled to commence?

Is the surrender value ever more than the amount allowed under SIS Regulations Capital Access Schedule?

No ☐

Yes ☐

What is the maximum/highest future surrender value?

Is the death benefit value ever more than the amount allowed under SIS Regulations Capital Access Schedule?

No ☐

Yes ☐

What is the maximum/highest future death benefit value?

## Signature of Authorised Officer

Company

Position

Telephone

Name

Signature and date



# Explanatory Guide for Income Stream Schedule

## Explanatory guide for provider completing the 'Income Stream Schedule' for Veterans' Affairs assessment purposes

**Lifetime** ☐ - tick **only** if income stream is paid for life.

**Life Expectancy** ☐ - tick **only** if income stream is paid for a fixed term based on the life expectancy ranges specified in section 5JB of the VEA, as follows:  
If income stream commenced BEFORE 20 September 2004:

- the primary beneficiary must have attained pension age on or before the commencement date AND the term of the income stream must be equal to the primary beneficiary's life expectancy OR life expectancy rounded up to the next whole number (or any fractional number in between); or
- the primary beneficiary must have attained pension age on or before the commencement date AND the term is 15 years or more AND the primary beneficiary's life expectancy is also 15 years or more AND the term is not greater than the primary beneficiary's life expectancy OR life expectancy rounded to the nearest whole number (or any fractional number in between).

If income stream commenced ON or AFTER 20 September 2004 and BEFORE 1 January 2006:

- the term is a period of whole years at least as long as the life expectancy of the primary beneficiary (rounded up, if not a whole number, to the next whole number) and at most as long as the life expectancy of the primary beneficiary if they were 5 years younger (rounded up, if not a whole number, to the next whole number) on the income stream's commencement day; or
- the term is a period of whole years at least as long as the greater of the life expectancies of the primary beneficiary and the primary beneficiary's reversionary partner (rounded up, if not a whole number, to the next whole number) and at most as long as the greater of the life expectancies of the primary beneficiary and the primary beneficiary's reversionary partner if they were both 5 years younger (rounded up, if not a whole number, to the next whole number) on the income stream's commencement day.

If income stream commenced ON or AFTER 1 January 2006 and BEFORE 20 September 2007:

- the term is at least as long as the life expectancy of the primary beneficiary (rounded up, if not a whole number, to the next whole number) and at most as long of the greater of (i) the life expectancy of the primary beneficiary if they were 5 years younger (rounded up, if not a whole number, to the next whole number) and (ii) the period (rounded up, if not a whole number, to the next whole number) starting on the income stream's commencement day and ending on the day which the primary beneficiary would reach age 100; or
- is at least as long as the greater of the life expectancies of the primary beneficiary and the primary beneficiary's reversionary partner (rounded up, if not a whole number, to the next whole number) and at most as long as the greater of (i) the greater of the life expectancies of the primary beneficiary and the primary beneficiary's reversionary partner if they were both 5 years younger (rounded up, if not a whole number, to the next whole number), and (ii) the greater of the periods (rounded up, if not a whole number, to the next whole number) starting on the income stream's commencement day and ending on the day on which the primary beneficiary and the primary beneficiary's reversionary partner would reach age 100.

**Market Linked** ☐ - tick **only** if income stream is a market linked product (also known as Growth Pension or Term Allocated Pension (TAP)).

**Allocated/ Account Based** ☐ - tick **only** if income stream is an Allocated Pension, Account-Based Pension or Transition to Retirement Pension. Do NOT use for Term Allocated Pension (TAPs) - see above.

**Term** ☐ - tick **only** if income stream is paid for a fixed term and it does NOT qualify for asset test exemption as a Life Expectancy (section 5JB) or Market Linked (section 5JBA) income stream.

**Commencement Date**  /  /  - enter the first day of the period to which the first payment of the income stream relates. For purchased products this is usually the date the contract was signed (i.e. the purchase date), but may be a later date for deferred products.

**Relevant Number (at commencement date)**  - enter the length of time in years and fractions thereof for which the income stream will be payable (**see overleaf for detailed explanation of relevant number**).

**Is there a Reversionary Pension Beneficiary nominated to whom this income stream will automatically revert upon the death of the primary pension beneficiary?**

No ☐ Yes ☐ - **only** tick YES if the income stream payments will automatically revert to a reversionary pension beneficiary upon the death of the primary beneficiary.

**Residual Capital Value (RCV)**  \$ - enter an amount **only** if the income stream has a specified residual capital value that will be returned at the end of the term.

**Does this income stream meet ALL the characteristics required under section 5JA, 5JB or 5JBA of the Veterans' Entitlements Act 1986 to qualify as an asset-test exempt income stream?**

**Only** complete this question after you have completed the relevant checklist on the detailed requirements pages. The income stream must meet **ALL** of the detailed requirements listed. If you have ticked every one of the detailed requirements in any one column then tick YES. Otherwise, tick NO.

No ☐ Yes ☐

Income streams purchased on or after 20 September 2007 do not qualify for an asset test exemption and do not comply with section 5JA, 5JB or 5JBA of the Veterans' Entitlements Act 1986.

In exceptional circumstances, an income stream which was originally purchased prior to 20 September 2007, and which has been subsequently commuted and restarted on or after 20 September 2007, may retain its original asset test exemption. The circumstances of the commutation and restart must be substantiated by the income stream provider and Veterans' Affairs must determine whether or not the income stream is eligible to retain its original asset test exemption.

**Original Purchase Price (including fees)**  \$ - **only** applicable for purchased products, NOT for income stream paid from defined schemes. Enter the original purchase price **before fees are deducted**. Do not reduce the amount for partial commutations.

**Total Commutations (since the commencement date)**  \$ - enter total Commutations since the commencement date. A commutation includes lump sum withdrawals in cash as well as rollovers.

**Date of last commutation**  /  /  - enter the date the last commutation was made.

**Has this product been purchased with a commutation of another income stream?**

No ☐ Yes ☐ - **only** tick YES if the income stream was purchased with funds transferred directly from the commutation of another income stream.



# Explanatory Guide for Income Stream Schedule

## Explanatory guide for provider completing the 'Income Stream Schedule' for Veterans' Affairs assessment purposes

Gross amount and frequency of payments      \$      per

### For Allocated, Account Based & Market Linked Products only:

Current account balance      \$

Gross annual payment      \$      pa

- enter the gross amount of each payment (before any deduction) and indicate the frequency of each payment, (e.g. per Fortnight, Month, Quarter, Half Year, Full Year).

- **only** complete for allocated pensions, account-based pensions and market linked pensions:

- **'current account balance'** (i.e. the amount of funds in the account).
- **'gross annual payment'** - you must report the amount that the person expects to receive during the financial year. At any stage during a financial year, the amount to be reported will comprise of all payments already received by the person (excluding commutations), plus all payments expected to be received for the remainder of the financial year.

The amount reported must never be below the required minimum pension payment.

For the first financial year - where an income stream commences on a day other than

1 July, the amount to be reported is an annualised amount calculated using the following formula =  $[Sum\ of\ all\ payments\ received\ and\ to\ be\ received\ in\ the\ first\ financial\ year\ divided\ by\ the\ number\ of\ days\ from\ the\ commencement\ date\ until\ 30\ June] \times 365$ .

If the commencement date of the income stream is between 1 June and 30 June - where the first payment has been deferred until after 1 July, the amount to be reported is \$0.00 and a separate schedule must be provided for 1 July to report the annual amount for the subsequent full financial year - as shown below.

For subsequent financial years - where an income stream has already commenced in a past financial year, the amount to be reported must be calculated using the following formula =  $[Sum\ of\ all\ payments\ already\ received\ and\ to\ be\ received\ during\ the\ full\ financial\ year\ from\ 1\ July\ to\ 30\ June]$ .

**Is the owner the Reversionary Pension Beneficiary to whom this income stream has automatically reverted following the death of the primary pension beneficiary?**

No ☐ Yes ☐ - **only** tick YES if the owner of the income stream is the reversionary pension beneficiary to whom the income stream has automatically reverted following the death of the primary pension beneficiary. If Yes - you must specify the date on which the income stream reverted to the reversionary pension beneficiary.

**Has this income stream been transferred from another provider under a Successor Fund Transfer arrangement?**

No ☐ Yes ☐ - **only** tick YES if the income stream has been transferred from another provider under a Successor Fund Transfer arrangement. Under a bona-fide Successor Fund Transfer the original income stream must continue to be paid under the original terms and conditions. The original purchase date, purchase price, relevant number, and the total commutations since original purchase price must continue to be reported. The provider name and product reference number may have changed.

### Is the income stream indexed?

No ☐ Yes ☐ - Please give details

Method (e.g. fixed, CPI, trustee defined, other - specify)

Date of next indexation

Indexation rate if fixed      %

FIXED - indexed at a fixed rate.

CPI - indexed by reference to movements in the price index published by the Australian Statistician.

TRUSTEE  
DEFINED - indexed at the discretion of trustees of fund.

OTHER - indexed by any other means - if so indicate how?

**Is this an income stream subject to a payment split as part of a property settlement on marriage breakdown?**

No ☐ Yes ☐ - **only** tick YES if the income stream is a Family Law affected income stream which has been split by a Court Order or Binding Agreement following a marital separation or divorce, under Part VIIIAA or Part VIIIB of the *Family Law Act 1975*.

**Is this income stream paid from a Self Managed Superannuation Fund (SMSF) or a Small APRA Fund (SAF)?**

No ☐ Yes ☐ - **only** tick YES if the income stream paid from a Self Managed Superannuation Fund (SMSF) or Small APRA Fund (SAF).

If you are claiming the income stream meets all of the characteristics required under section 5JA, 5JB or 5JBA of the *Veterans' Entitlements Act 1986* to qualify as an asset-test exempt income stream you must provide copies of:

- a current actuarial certificate prepared in accordance with Guidance Note 465 for any Lifetime (s.5JA) or Life Expectancy (s.5JB) income stream. Actuarial certificates are not required for Allocated or Market Linked income streams; and
- the trust deed from set-up date (including any amendments since set-up) under which the income stream is paid; and
- contracts between the owner of the income stream and the superannuation fund, including Trustee Minutes/Resolutions/Formal Letters which set out the terms and conditions under which the income stream is paid; and
- the Trustee Minute or Resolution specifying whether or not the income stream is indexed and if any indexation is guaranteed.

It is the responsibility of the Trustees to clearly indicate in the Trustee Resolution and Trustee Minutes, in conjunction with the Trust Deed, exactly what type of pension has been commenced and to specify the terms and conditions under which the pension will be paid to the member.

Veterans' Affairs will check all of the source documentation (i.e. Trust Deed/Agreements/Contracts/Trustee Resolutions and Minutes) to verify claims that the trust deed allows for the payment of the relevant pension and that the terms and conditions under which the pension is being paid meet all of the characteristics required under 5JA, 5JB or 5JBA of the *Veterans' Entitlements Act 1986*.

**Warning:** from 1 January 2006 a SMSF or SAF cannot commence a Lifetime or Life Expectancy asset-test exempt income stream.



# Explanatory Guide for Income Stream Schedule

## Explanatory guide for provider completing the 'Income Stream Schedule' for Veterans' Affairs assessment purposes

### Date of purchase

This is generally the date the contract was signed. It is not the date on which the first payment is made.

### Was the income stream purchased with superannuation monies?

i.e. is the income stream provided under the *Superannuation Industry (Supervision) Act 1993*?

No ☐ Yes ☐

### Provide details of the payments made to purchase the income stream

If purchased by instalments provide details of each payment. If there have been more than 4 payments, provide a separate sheet which details the amount and date of each purchase payment.

Purchase payments	Date of payment
\$	/ /
\$	/ /
\$	/ /
\$	/ /

### If income stream payments have not yet commenced, what is the date the income stream payments are scheduled to commence?

Provide the start date of the period of payment to which the first payment of the income stream relates.

### Is the surrender value ever more than the amount allowed under SIS Regulations Capital Access Schedule?

No ☐ Yes ☐

The Capital Access Schedule (CAS) is specified in the *Superannuation Industry (Supervision) Regulations 1994*, and places limits on the amount that a person can withdraw from their lifetime income stream should they fully commute the product (surrender value). The maximum surrender value under the CAS reduces on a straight line basis to zero over the person's life expectancy.

### What is the maximum/highest future surrender value?

The maximum amount that would be paid if the income stream was cashed in at some point in the future.

### Is the death benefit value ever more than the amount allowed under the SIS Regulations Capital Access Schedule?

No ☐ Yes ☐

The Capital Access Schedule (CAS) is specified in the *Superannuation Industry (Supervision) Regulations 1994*, and places limits on the amount the person's estate would receive should they die (death benefit). The maximum death benefit under the CAS can be 100% of initial surrender value for half of the customer's life expectancy. At half life expectancy, the maximum amount reduces to be the same amount as the maximum surrender value under the CAS.

### What is the maximum/highest future death benefit value?

The maximum/highest death benefit value that the estate of the income stream owner may receive in the event of the owner's death at some point in the future.

## Relevant Number (Detailed Explanation)

### Relevant Number

(at Commencement Date)

Enter the length of time in years and fractions thereof for which the income stream will be payable:

#### If income stream paid for

##### Life and is not reversionary

the relevant number is the life expectancy of the primary beneficiary using the Australian Life Tables current as at the commencement date of the income stream.  
Applicable Term Type = **Lifetime**

##### Life and there is a Reversionary Pension Beneficiary nominated to whom this income stream will automatically revert upon the death of the primary pension beneficiary

the relevant number will be the greater of the two life expectancies using the Australian Life Tables current as at the commencement date of the income stream.  
Applicable Term Type = **Lifetime**

#### If income stream paid for a

##### a fixed term based on Life Expectancy

relevant number is the term specified in the contract.  
Applicable Term Type = **Life Expectancy**

#### If income stream paid for a

##### fixed term based on Market Linked

relevant number is the term specified in the contract.  
Applicable Term Type = **Market Linked**

#### If income stream paid from an

##### Allocated/Account-Based product which is not reversionary

relevant number is the life expectancy of the primary beneficiary using the Australian Life Tables current as at the commencement date of the income stream.  
Applicable Term Type = **Allocated/Account-Based**

##### Allocated/Account-Based and there is a Reversionary Pension Beneficiary nominated to whom this income stream will automatically revert upon the death of the primary pension beneficiary

relevant number will be the greater of the two life expectancies using the Australian Life Tables current as at the commencement date of the income stream.  
Applicable Term Type = **Allocated/Account-Based**

#### If income stream paid for a

##### Fixed Term OR Term Certain

relevant number is the term specified in the contract.  
Applicable Term Type = **Term**

**WARNING: If the income stream is paid for a fixed term and it is a Life Expectancy (section 5JB) or Market Linked (section 5JBA) asset-test exempt income stream, you must specify that it is either a Life Expectancy or Market Linked income stream. Do not call it a 'Term' income stream.**

#### If commutations

##### have occurred

relevant number for DVA purposes will be the same as the relevant number at the commencement date. It does not change.





# Checklist for Asset-Test Exempt Income Streams

Use this page to check if the income stream meets ALL the requirements to qualify as an asset-test exempt income stream

Lifetime income streams - purchased at any age and before 20 September 2007	Life Expectancy or 15 year Minimum Term income streams - purchased at or after pension age and before 20 September 2004
<p>The following rules relate to section 5JA of the <i>Veteran's Entitlements Act 1986</i>. <input checked="" type="checkbox"/> TICK IF THE PRODUCT COMPLIES ▼</p> <p>1. Payments under the income stream are made at least annually throughout the life of the person. <input type="checkbox"/></p> <p>2. If there is a reversionary beneficiary: a) the payments will be made throughout the reversionary beneficiary's life; or b) if the reversionary beneficiary is a child of the primary beneficiary, or of another reversionary beneficiary, payments will be paid annually at least until the child turns 16; or c) if the child who is the reversionary beneficiary is a full time student who has turned 16, the income stream will be paid at least until the end of the student's full time studies or until the student turns 25, whichever occurs sooner. <input type="checkbox"/></p> <p>3. The governing rules or contract specify the total amount of payments that may be made under the income stream in the first year after the commencement date with allowances for commutations (see 9). <input type="checkbox"/></p> <p>4. The governing rules or contract specify the total amount of payments in any other year, with allowances made for indexation (see 5) or certain commutations (see 9). <input type="checkbox"/></p> <p>5. The yearly indexation adjustment is capped at the greater of either: 5% or the rate of increase in the consumer price index plus 1%. Payments cannot vary downwards. <input type="checkbox"/></p> <p>6. The commencement date of the income stream was the day on which the income stream was purchased. <input type="checkbox"/></p> <p>7. The amount paid as the purchase price is wholly converted into income. <input type="checkbox"/></p> <p>8. The income stream has no residual capital value. <input type="checkbox"/></p> <p>9. The income stream cannot be commuted, except where: a) the commutation is made to the benefit of a reversionary or to the person's estate on the death of the person and (i) if the income stream was purchased prior to 20/09/04, within 10 years of the commencement day, or (ii) if the income stream was purchased on or after 20/09/04 within a period equal to the shorter of the primary beneficiary's life expectancy on the commencement or 20 years ; or b) the income stream is a non-commutation funded income stream and the commutation is made within the first 6 months of the commencement day of the income stream; or c) the payment resulting from the commutation is transferred directly to the purchase of another asset-test exempt income stream; or d) the commutation is made to pay an amount in respect of the superannuation contribution surcharge amount, and only to the extent necessary to pay that surcharge; or e) the commutation is made to the extent necessary to pay a hardship amount (defined under section 5JA(7) of the VEA); or f) the commutation is made to the extent necessary to pay the person's spouse or former spouse under a payment split due to a property settlement on marriage breakdown (payment split under Part VIIIAA or Part VIIIB of the <i>Family Law Act 1975</i>). <input type="checkbox"/></p> <p>10. The income stream cannot be transferred to another person, apart from a reversionary beneficiary on the death of the person, or to another reversionary beneficiary on the death of the reversionary beneficiary. <input type="checkbox"/></p> <p>11. Neither the capital value of the income stream, nor the income from it, can be used as security for borrowing. <input type="checkbox"/></p> <p>12. If the income stream reverts to a reversionary beneficiary, it does not have a reversionary component greater than the benefit that was payable immediately before the reversion. <input type="checkbox"/></p> <p>13. If the income stream is commuted, it does not have a commuted component greater than the benefit that was payable immediately before the commutation. <input type="checkbox"/></p>	<p>The following rules relate to section 5JB of the <i>Veteran's Entitlements Act 1986</i>. <input checked="" type="checkbox"/> TICK IF THE PRODUCT COMPLIES ▼</p> <p>1. The person reached pension age on or before the day on which the person purchased or acquired the income stream. <input type="checkbox"/></p> <p>2. Payments are made at least annually: a) if the person's life expectancy is less than 15 years - throughout a period equal to either the life expectancy or any period from the person's life expectancy rounded up (at the person's option, if it does not consist of a whole number of years), to the next whole number; or b) if the person's life expectancy is 15 years or more - throughout a period that is not less than 15 years but not more than the person's life expectancy (may be rounded up, at the person's option, to the next whole number of years). <input type="checkbox"/></p> <p>3. The governing rules or contract specify the total amount of payments that may be made under the income stream in the first year after the commencement date with allowances for commutations (see 9). <input type="checkbox"/></p> <p>4. The governing rules or contract specify the total amount of payments in any other year, with allowances made for indexation (see 5) or certain commutations (see 9). <input type="checkbox"/></p> <p>5. The yearly indexation adjustment is capped at the greater of either: 5% or the rate of increase in the consumer price index plus 1%. Payments cannot vary downwards. <input type="checkbox"/></p> <p>6. The commencement date of the income stream was the day on which the income stream was purchased. <input type="checkbox"/></p> <p>7. The amount paid as the purchase price is wholly converted into income. <input type="checkbox"/></p> <p>8. The income stream has no residual capital value. <input type="checkbox"/></p> <p>9. The income stream cannot be commuted, except where: a) the legal or equitable interest in the payment resulting from the commutation is transferred, on the death of the person to the person's estate or a reversionary beneficiary, or on the death of the reversionary beneficiary to the reversionary beneficiary's estate if there is no other reversionary beneficiary; or b) the income stream is a non-commutation funded income stream and the commutation is made within the first 6 months of the commencement day of the income stream; or c) the payment resulting from the commutation is transferred directly to the purchase of another asset-test exempt income stream; or d) the commutation is made to pay an amount in respect of the superannuation contribution surcharge amount, and only to the extent necessary to pay that surcharge; or e) the commutation is made to the extent necessary to pay a hardship amount (defined under section 5JA(7) of the VEA); or f) the commutation is made to the extent necessary to pay the person's spouse or former spouse under a payment split due to a property settlement on marriage breakdown (payment split under Part VIIIAA or Part VIIIB of the <i>Family Law Act 1975</i>). <input type="checkbox"/></p> <p>10. The income stream cannot be transferred to another person, apart from a reversionary beneficiary on the death of the person, or if there is no reversionary beneficiary, to the estate of the primary beneficiary or to another reversionary beneficiary on the death of the reversionary beneficiary or if there is no other beneficiary, to the estate of the reversionary beneficiary. <input type="checkbox"/></p> <p>11. Neither the capital value of the income stream, nor the income from it, can be used as security for borrowing. <input type="checkbox"/></p> <p>12. If the income stream reverts to a reversionary beneficiary, it does not have a reversionary component greater than the benefit that was payable immediately before the reversion. <input type="checkbox"/></p> <p>13. If the income stream is commuted, it does not have a commuted component greater than the benefit that was payable immediately before the commutation. <input type="checkbox"/></p>



# Checklist for Asset-Test Exempt Income Streams

Use this page to check if the income stream meets ALL the requirements to qualify as an asset-test exempt income stream

## Life Expectancy income streams - purchased on or after 20 September 2004 and before 1 January 2006

The following rules relate to section 5JB of the *Veterans' Entitlements Act 1986*.

☒ TICK IF THE PRODUCT COMPLIES ▼

1. Payments are made at least annually throughout a period of whole years which is:
  - a) at least as long as the life expectancy of the primary beneficiary (rounded up, if not a whole number, to the next whole number) and at most as long as the life expectancy of the primary beneficiary if they were 5 years younger (rounded up, if not a whole number, to the next whole number) on the income stream's commencement day; or
  - b) at least as long as the greater of the life expectancies of the primary beneficiary and the primary beneficiary's reversionary partner (rounded up, if not a whole number, to the next whole number) and at most as long as the greater of the life expectancies of the primary beneficiary and the primary beneficiary's reversionary partner if they were both 5 years younger (rounded up, if not a whole number, to the next whole number) on the income stream's commencement day. ☐
2. The governing rules or contract specify the total amount of payments that may be made under the income stream in the first year after the commencement date with allowances for commutations (see 9). ☐
3. The governing rules or contract specify the total amount of payments in any one year, with allowances made for indexation (see 4), or certain commutations (see 9). ☐
4. The yearly indexation adjustment is capped at the greater of either: 5% or the rate of increase in the consumer price index plus 1%. Payments cannot vary downwards. ☐
5. The commencement date of the income stream was the day on which the income stream was purchased. ☐
6. The person to whom the income stream is being provided is the primary beneficiary or the primary beneficiary's reversionary partner (if any) on the day of the primary beneficiary's death. ☐
7. The amount paid as the purchase price is wholly converted into income. ☐
8. The income stream has no residual capital value. ☐
9. The income stream cannot be commuted, except where:
  - a) the primary beneficiary dies and there is no reversionary partner, or the reversionary partner dies and the reversionary partner outlives the primary beneficiary; or
  - b) the income stream is a non-commutation funded income stream and the commutation is made within the first 6 months of the commencement day of the income stream; or
  - c) the payment resulting from the commutation is transferred directly to the purchase of another asset-test exempt income stream; or
  - d) the commutation is made to pay an amount in respect of the superannuation contribution surcharge amount, and only to the extent necessary to pay that surcharge; or
  - e) the commutation is made to the extent necessary to pay a hardship amount (defined under section 5JA(7) of the VEA); or
  - f) the commutation is made to the extent necessary to pay the person's spouse or former spouse under a payment split due to a property settlement on marriage breakdown (payment split under Part VIIIAA or Part VIIIB of the *Family Law Act 1975*). ☐
10. The income stream cannot be transferred except on death. ☐
11. Neither the capital value of the income stream, nor the income from it, can be used as security for borrowing. ☐
12. If the income stream reverts to a reversionary beneficiary, it does not have a reversionary component greater than the benefit that was payable immediately before the reversion. ☐
13. If the income stream is commuted, it does not have a commuted component greater than the benefit that was payable immediately before the commutation. ☐

## Market Linked income streams - purchased on or after 20 September 2004 and before 1 January 2006

The following rules relate to section 5JBA of the *Veterans' Entitlements Act 1986*.

☒ TICK IF THE PRODUCT COMPLIES ▼

1. Payments are made at least annually throughout a period of whole years which is:
  - a) at least as long as the life expectancy of the primary beneficiary (rounded up, if not a whole number, to the next whole number) and at most as long as the life expectancy of the primary beneficiary if they were 5 years younger (rounded up, if not a whole number, to the next whole number) on the income stream's commencement day; or
  - b) at least as long as the greater of the life expectancies of the primary beneficiary and the primary beneficiary's reversionary partner (rounded up, if not a whole number, to the next whole number) and at most as long as the greater of the life expectancies of the primary beneficiary and the primary beneficiary's reversionary partner if they were both 5 years younger (rounded up, if not a whole number, to the next whole number) on the income stream's commencement day. ☐
2. For each financial year wholly or partly within the income stream's term, the total amount of the payments to be made under the income stream must be equal the amount worked out under the formula set out in the SIS Regulations. ☐
3. The commencement date of the income stream was the day which the income stream was purchased. ☐
4. The person to whom the income stream is being provided is the primary beneficiary or the primary beneficiary's reversionary partner (if any) on the day of the primary beneficiary's death. ☐
5. The income stream has no residual capital value. ☐
6. The income stream cannot be commuted, except where:
  - a) the primary beneficiary dies and there is no reversionary partner, or the reversionary partner dies and the reversionary partner outlives the primary beneficiary; or
  - b) the income stream is a non-commutation funded income stream and the commutation is made within the first 6 months of the commencement day of the income stream; or
  - c) the payment resulting from the commutation is transferred directly to the purchase of another asset-test exempt income stream; or
  - d) the commutation is made to pay an amount in respect of the superannuation contribution surcharge amount, and only to the extent necessary to pay that surcharge; or
  - e) the commutation is made to the extent necessary to pay a hardship amount (defined under section 5JA(7) of the VEA); or
  - f) the commutation is made to the extent necessary to pay the person's spouse or former spouse under a payment split due to a property settlement on marriage breakdown (payment split under Part VIIIB of the *Family Law Act 1975*). ☐
7. The income stream cannot be transferred except on death. ☐
8. Neither the capital value of the income stream, nor the income from it, can be used as security for borrowing. ☐
9. If the income stream reverts it does not have a reversionary component greater than the account balance immediately before reversion. ☐
10. If the income stream is commuted, it does not have a commuted component greater than the account balance immediately before commutation. ☐



# Checklist for Asset-Test Exempt Income Streams

Use this page to check if the income stream meets ALL the requirements to qualify as an asset-test exempt income stream

## Life Expectancy income streams - purchased on or after 1 January 2006 and before 20 September 2007

The following rules relate to section 5JB of the *Veterans' Entitlements Act 1986*.

☒ TICK IF THE PRODUCT COMPLIES ▼

1. Payments are made at least annually throughout a period of whole years on the income stream's commencement day, which is:
  - a) at least as long as the life expectancy of the primary beneficiary (rounded up, if not a whole number, to the next whole number) and at most as long as the greater of (i) the life expectancy of the primary beneficiary if they were 5 years younger (rounded up, if not a whole number, to the next whole number) and (ii) the period (rounded up, if not a whole number, to the next whole number) starting on the income stream's commencement day and ending on the day on which the primary beneficiary would reach age 100; or
  - b) is at least as long as the greater of the life expectancies of the primary beneficiary and the primary beneficiary's reversionary partner (rounded up, if not a whole number, to the next whole number) and at most as long as the greater of (i) the greater of the life expectancies of the primary beneficiary and the primary beneficiary's reversionary partner if they were both 5 years younger (rounded up, if not a whole number, to the next whole number), and (ii) the greater of the periods (rounded up, if not a whole number, to the next whole number) starting on the income stream's commencement day and ending on the day on which the primary beneficiary and the primary beneficiary's reversionary partner would reach age 100. ☐
2. The governing rules or contract specify the total amount of payments that may be made under the income stream in the first year after the commencement date with allowances for commutations (see 9). ☐
3. The governing rules or contract specify the total amount of payments in any one year, with allowances made for indexation (see 4), or certain commutations (see 9). ☐
4. The yearly indexation adjustment is capped at the greater of either: 5% or the rate of increase in the consumer price index plus 1%. Payments cannot vary downwards. ☐
5. The commencement date of the income stream was the day on which the income stream was purchased. ☐
6. The person to whom the income stream is being provided is the primary beneficiary or the primary beneficiary's reversionary partner (if any) on the day of the primary beneficiary's death. ☐
7. The amount paid as the purchase price is wholly converted into income. ☐
8. The income stream has no residual capital value. ☐
9. The income stream cannot be commuted, except where:
  - a) the primary beneficiary dies and there is no reversionary partner, or the reversionary partner dies and the reversionary partner outlives the primary beneficiary; or
  - b) the income stream is a non-commutation funded income stream and the commutation is made within the first 6 months of the commencement day of the income stream; or
  - c) the payment resulting from the commutation is transferred directly to the purchase of another asset-test exempt income stream; or
  - d) the commutation is made to pay an amount in respect of the superannuation contribution surcharge amount, and only to the extent necessary to pay that surcharge; or
  - e) the commutation is made to the extent necessary to pay a hardship amount (defined under section 5JA(7) of the VEA); or
  - f) the commutation is made to the extent necessary to pay the person's spouse or former spouse under a payment split due to a property settlement on marriage breakdown (payment split under Part VIIIAA or Part VIIIB of the *Family Law Act 1975*). ☐
10. The income stream cannot be transferred except on death. ☐
11. Neither the capital value of the income stream, nor the income from it, can be used as security for borrowing. ☐
12. If the income stream reverts to a reversionary beneficiary, it does not have a reversionary component greater than the benefit that was payable immediately before the reversion. ☐
13. If the income stream is commuted, it does not have a commuted component greater than the benefit that was payable immediately before the commutation. ☐

## Market Linked income streams - purchased on or after 1 January 2006 and before 20 September 2007

The following rules relate to section 5JBA of the *Veterans' Entitlements Act 1986*.

☒ TICK IF THE PRODUCT COMPLIES ▼

1. Payments are made at least annually throughout a period of whole years on the income stream's commencement day, which is:
  - a) at least as long as the life expectancy of the primary beneficiary (rounded up, if not a whole number, to the next whole number) and at most as long as the greater of (i) the life expectancy of the primary beneficiary if they were 5 years younger (rounded up, if not a whole number, to the next whole number) and (ii) the period (rounded up, if not a whole number, to the next whole number) starting on the income stream's commencement day and ending on the day on which the primary beneficiary would reach age 100; or
  - b) is at least as long as the greater of the life expectancies of the primary beneficiary and the primary beneficiary's reversionary partner (rounded up, if not a whole number, to the next whole number) and at most as long as the greater of (i) the greater of the life expectancies of the primary beneficiary and the primary beneficiary's reversionary partner if they were both 5 years younger (rounded up, if not a whole number, to the next whole number), and (ii) the greater of the periods (rounded up, if not a whole number, to the next whole number) starting on the income stream's commencement day and ending on the day on which the primary beneficiary and the primary beneficiary's reversionary partner would reach age 100. ☐
2. For each financial year wholly or partly within the income stream's term, the total amount of the payments to be made under the income stream must be equal the amount worked out under the formula set out in the SIS Regulations. ☐
3. The commencement date of the income stream was the day which the income stream was purchased. ☐
4. The person to whom the income stream is being provided is the primary beneficiary or the primary beneficiary's reversionary partner (if any) on the day of the primary beneficiary's death. ☐
5. The income stream has no residual capital value. ☐
6. The income stream cannot be commuted, except where:
  - a) the primary beneficiary dies and there is no reversionary partner, or the reversionary partner dies and the reversionary partner outlives the primary beneficiary; or
  - b) the income stream is a non-commutation funded income stream and the commutation is made within the first 6 months of the commencement day of the income stream; or
  - c) the payment resulting from the commutation is transferred directly to the purchase of another asset-test exempt income stream; or
  - d) the commutation is made to pay an amount in respect of the superannuation contribution surcharge amount, and only to the extent necessary to pay that surcharge; or
  - e) the commutation is made to the extent necessary to pay a hardship amount (defined under section 5JA(7) of the VEA); or
  - f) the commutation is made to the extent necessary to pay the person's spouse or former spouse under a payment split due to a property settlement on marriage breakdown (payment split under part VIIIB of the *Family Law Act 1975*). ☐
7. The income stream cannot be transferred except on death. ☐
8. Neither the capital value of the income stream, nor the income from it, can be used as security for borrowing. ☐
9. If the income stream reverts it does not have a reversionary component greater than the account balance immediately before reversion. ☐
10. If the income stream is commuted, it does not have a commuted component greater than the account balance immediately before commutation. ☐