

Policy Document

This document sets out the terms and conditions of your Policy.
Please contact our Customer Relations Centre on 131 817 if you have any questions on this Policy.

Issued by Westpac Life Insurance Services Limited ABN 31 003 149 157. AFSL No. 233728



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1. Definitions

Actuary means our Chief Actuary or such other actuary as may from time to time be chosen by us.

we, us, our mean Westpac Life Insurance Services Limited ABN 31 003 149 157 AFSL No. 233728.

Annuity Purchase Price is the amount invested by you at the start of each annuity (less any tax deducted under clause 3) and is shown in the Schedule.

Beneficiary means the beneficiary shown in the Schedule and is only available for Superannuation Benefit annuities. The Beneficiary you nominate must be:

- your Spouse; and
- nominated in writing by you; and
- be the same person for all Superannuation Benefit annuities under this Policy.

Commutation means the conversion of an annuity to a lump sum.

Expiry Date means the last occurring Maturity Date of annuities issued under this Policy.

Indexation Percentage means the rate by which we will increase Regular Payments under a Nil RCV Annuity each year, and is shown in the Schedule.

Life Insured means, in relation to a Policy purchased by a company or the trustee of a trust, the life insured as shown in the Schedule.

Maturity Date is the last day of the Term and is the date shown in:

- the Schedule, for each annuity that is provided under this Policy when we issue it; or
- a re-investment advice (which we will issue), for each annuity where a RCV is applied to purchase a further annuity under clause 5.3.

Nil RCV Annuity means an annuity which will have no RCV at its Maturity Date.

100% RCV Annuity means an annuity which will have a RCV at its Maturity Date that is equal to the Annuity Purchase Price less any deductions that we make under this Policy as required or permitted by the Relevant Law.

Policy means a life insurance policy issued by us to a Policyowner under this Policy Document and one or more annuities can be issued under a Policy.

Policyowner(s) is/are the person (or persons) who own the Policy and shown in the Schedule.

RCV means the residual capital value of an annuity.

Regular Payment means the amount you have elected to receive monthly, quarterly, six (6) monthly or annually from each annuity throughout the Term, increased by the Indexation Percentage (if applicable), and shown in the Schedule. It does not include any commuted lump sums or RCVs.

Relevant Law means any law (as amended or replaced) that relates to annuities or life insurance business including the Life Insurance Act 1995, Income Tax Assessment Act 1936, Income Tax Assessment Act 1997, Superannuation Industry (Supervision) Act 1993, Corporations Act 2001 and the regulations made under those Acts and any directive, circular, ruling or guideline issued by an authority responsible for administering any of those laws, and any applicable Social Security Law.

Social Security Law means the Social Security Act 1991 (as amended or replaced), Veterans' Entitlements Act 1986 (as amended or replaced), and any related legislation, and the regulations made under those Acts and any directive, circular, ruling or guideline issued by an authority responsible for administering any of those laws.

Schedule means the schedule attached to this Policy as amended by us from time to time.

Spouse of a person includes a person who, although not legally married to the person, lives with the person on a genuine domestic basis as the person's husband or wife as defined in the Income Tax Assessment Act 1997, s.995-1(1).

Superannuation Benefit has meaning given by Relevant Law and includes benefits paid from a superannuation fund or another Superannuation Benefit annuity.

Term means the length of time in years of an annuity and is shown in the Schedule. It commences from the date you purchased or acquired the annuity and ends on its Maturity Date.

You or Your means the Policyowner(s).

2. Cooling off period

If you decide that this Policy is not appropriate for you for any reason, you have until the earlier of 19 days from the day this Policy is issued by us, or 14 days after you receive the Policy Document and Schedule, to request us to cancel this Policy. If you wish to cancel this Policy, please write to us at Westpac Guaranteed Income Plan, GPO Box 3960, Sydney NSW 2001, providing your full name, address, your Policy number and the date of your application for this Policy.

When we receive your letter we will cancel this Policy and refund your investment to you. The amount you will receive will reflect any movement in the value of underlying assets held by us less any Regular Income Payment amounts that have already been paid to you; any taxes and stamp duty payable; and administrative and transaction costs. The amount you receive may be less than the Annuity Purchase Price.

3. Taxes or charges to be deducted

Where any amount invested in this Policy is subject to tax, this tax will be deducted from the amount invested prior to an annuity being issued. The one or more annuities which you have applied for will then be purchased with the remainder of your original investment.

We will deduct from any payments made under this Policy, any taxes, charges or duties that we are required by law to deduct.

4. Regular Payments

4.1 Payment frequency

In consideration for the payment of the Annuity Purchase Price in respect of an annuity, we will pay you Regular Income Payments at the frequency shown in the Schedule until the Maturity Date. These payments will be made in arrears.

4.2 Multiple annuities

If you invest simultaneously in more than one annuity under this Policy, the Regular Income Payments from all annuities must be paid at the same time.

4.3 Indexation of payments

Where indexation is to apply to an annuity, on each anniversary of the start of the Term, we will increase the Regular Payments in respect of that annuity by the Indexation Percentage. Increases take effect for Regular Payments that become payable on or after the anniversary in respect of that annuity, and apply to all payments made in respect of the following year of the Term.

4.4 Payment method

All Regular Payments will be paid to the account held by you with an Australian bank, credit union or building society that you last nominated to us. We may, however, make payment in some other manner (and charge you reasonable costs of doing so) if:

- it becomes necessary for us to do so in order to comply with the Relevant Law; or
- you have not nominated an Australian bank, credit union or building society account, or we are unable to successfully credit the payment directly to your nominated account.

5. Payment of residual capital value

5.1 100% RCV Annuities

The procedure set out in clause 5.2, 5.3, and/or 5.4 applies if you have selected a 100% RCV Annuity.

If you have selected more than one 100% RCV Annuity, it applies:

- each time a 100% RCV Annuity matures (including a 100% RCV Annuity purchased and provided under clauses 5.2 or 5.3), but
- only to the annuity(ies) maturing at that time.

It does not apply to an annuity if either the annuity or this Policy has been terminated before the Maturity Date of the annuity.

5.2 Your options at Maturity Date

You may ask us to deal with the RCV of a 100% RCV annuity that is about to mature in one or more of the following ways:

- apply the RCV towards the purchase and provision of another annuity for the same duration as the maturing annuity;
- apply the RCV towards the purchase and provision of one or more annuities of varying durations; or
- pay you the RCV.

We will deal with the RCV as you request provided that:

- we receive your request before the Maturity Date; and
- your request is in writing and contains all information that we ask for and need; and
- our Actuary approves, in cases where you request us to apply any part of the RCV towards the purchase and provision of another annuity or annuities; and
- the amount to be applied to each annuity exceeds any minimum investment amount for an annuity that we may have at the time; and
- the Term for each new annuity would end before you (or the first of you if there is more than one Policyowner) attain age 95, or such other age as our Actuary may determine.

We may provide an annuity for a different duration to what you request if our Actuary considers it appropriate or if the Relevant Law requires.

Annuities will be provided based on rates which we are offering at the time (or such other basis as our Actuary may determine if we are no longer offering annuities).

5.3 Automatic reinvestment

If we do not receive a written request from you before the Maturity Date, we will deal with the RCV in one or more of the following ways, as we consider appropriate:

- automatically apply the RCV of the annuity towards the purchase and provision of another annuity for the same duration as the maturing annuity (or a different duration determined by us if the Relevant Law requires or our Actuary considers it appropriate). The annuity will be provided based on rates which we are offering at the time (or such other basis as our Actuary may determine if we are no longer offering annuities); or
- pay you the RCV if our Actuary does not approve the application of any part of the RCV towards the purchase and provision of another annuity, or if the RCV is less than any minimum investment amount for an annuity that we may have at the time.

Annuities commenced on or after 1 July 2007 with Superannuation Benefits cannot be automatically reinvested.

5.4 When payment occurs

If you choose to have any part of the RCV of an annuity paid to you, we will make the payment (after deducting any applicable taxes, duties and charges) as soon as practicable on or after its Maturity Date.

Our obligations in respect of a 100% RCV Annuity end when we pay both the final Regular Payment and the RCV of that annuity.

5.5 Nil RCV Annuities

No RCV is payable on the Maturity Date of a Nil RCV Annuity. Our obligations in respect of a Nil RCV Annuity end when we pay the final Regular Payment in respect of that annuity.

5.6 Early commutation

You cannot commute an annuity before the Maturity Date unless:

- (a) you die (see clause 7); or
- (b) we decide to make an exception because you are suffering genuine financial hardship; or
- (c) the Relevant Law requires us to commute it.

In this event, the Commutation amount will be calculated in accordance with clause 5.7.

5.7 Terms and conditions of commutation

We will determine the lump sum amount payable at the time of Commutation of an annuity by calculating the present value of all future Regular Payments that would have been payable under the annuity. We will then add the present value of the RCV if the annuity is a 100% RCV Annuity. The lump sum amount payable will also take into account changes to interest rates since the annuity commenced, expenses, and such other factors as our Actuary considers relevant.

Our obligations in respect of an annuity end when we pay the commuted lump sum in respect of that annuity.

5.8 Partial commutations

Partial commutations are not permitted under this Policy.

6. Transfer and assignment

You cannot transfer or assign your Policy to another person and you cannot use your Policy as security for a borrowing.

7. Death benefits

7.1 Joint Policyowners

If there is more than one Policyowner and one of you dies, the person who died automatically ceases to have any entitlement under this Policy, and the surviving Policyowner becomes entitled to all rights and entitlements under this Policy. That means we will:

- (a) pay the full amount of all future Regular Payments under this Policy to the surviving Policyowner(s); and
- (b) deal with, and make payments to, the surviving Policyowner(s) under clause 5 when an annuity reaches its Maturity Date.

If the surviving Policyowner dies before the Expiry Date, the Policy automatically ends and their estate becomes entitled to a commuted lump sum in respect of each annuity as calculated under clause 5.7.

7.2 Individual Policyowner

Superannuation Benefit annuity

If you have purchased an annuity with a Superannuation Benefit, you may nominate your Spouse in writing as your Beneficiary. You should consider this carefully as you cannot change your nomination once you have made it.

If you have nominated your Spouse as your Beneficiary and you die before the Maturity Date of a Superannuation Benefit annuity and your Beneficiary is still alive, your Beneficiary becomes entitled to all your rights and entitlements under this Policy. That means we will:

- (a) pay the full amount of all future Regular Payments under this Policy to your Beneficiary; and
- (b) deal with, and make payments to, your Beneficiary under clause 5 when an annuity reaches its Maturity Date.

If your Beneficiary dies after obtaining rights and entitlements under the Policy before the Expiry Date, the Policy automatically ends and their estate becomes entitled to a commuted lump sum in respect of each annuity, as calculated under clause 5.7.

Your Beneficiary may decide to end one or more annuities by commuting the Regular Payments and receiving a commuted lump sum calculated in accordance with clause 5.7 if Relevant Law permits. Your Beneficiary must advise us of their decision within such a period after the date of your death as Relevant Law may specify that does not exceed 6 months (or such other time as permitted by our Actuary).

If you decide not to nominate a Beneficiary, or your Beneficiary dies before you, and you die before the Expiry Date, the Policy automatically ends and your estate becomes entitled to a commuted lump sum in respect of each annuity, as calculated under clause 5.7.

Personal savings annuity (not superannuation)

If you have purchased an annuity with personal savings, you cannot nominate a Beneficiary. On your death before the Expiry Date, the Policy automatically ends and your estate becomes entitled to a commuted lump sum in respect of each annuity, as calculated under clause 5.7.

7.3 Companies and Trusts

Companies and trustees purchasing an annuity must nominate at least one Life Insured. On the death of the last Life Insured, the Policy automatically ends and the Policyowner becomes entitled to a commuted lump sum in respect of each annuity, as calculated under clause 5.7.

The Policy also automatically ends and a commuted lump sum in respect of each annuity, as calculated in accordance with clause 5.7, becomes payable where:

- (a) you hold the Policy as trustee of a trust, upon an order being made by any competent Court or a resolution being passed by any person(s) authorised to do so under the trust deed under which the trust was established, for the termination of the trust; or
- (b) you are a corporation and you do not hold this Policy as a trustee, upon an order being made by any competent Court or a resolution being passed for your winding up or your dissolution.

8. Annual statements

We will issue an annual statement at the end of each financial year showing all transactions during the year.

9. Termination of the Policy

This Policy will terminate on the earlier of:

- (a) the Expiry Date; or
- (b) the date all remaining annuities issued under this Policy are commuted.

10. General provisions

10.1 Payment conditions

Before any Regular Payment or commuted lump sum is paid under this Policy, we may require:

- (a) production of this Policy document;
- (b) proof satisfactory to us of your identity; and
- (c) proof, satisfactory to us, of the age and identity of any person entitled to receive a payment under the Policy and proof that person is still alive. If that person has died, we will require proof, satisfactory to us, of such death.

10.2 Statutory Fund and Non-Participating Policy

This Policy is a non-participating life insurance policy issued from our No. 6 Statutory Fund. You are not entitled to share in any distribution of surplus that may be made by us from that Statutory Fund. Only our No. 6 Statutory Fund is liable for payments under this Policy.

10.3 Australian dollars

All payments under this Policy will be paid in Australian dollars.

10.4 Law

This Policy is governed by the Insurance Contracts Act 1984 and the Relevant Law, and will be construed in accordance with the laws of New South Wales.

11. Our right to adjust the Policy

We can:

- (a) vary this Policy and any payment under it as our Actuary considers appropriate to comply with Relevant Law and any changes that may be made to the Relevant Law;
- (b) commute or vary the whole or a part of an annuity under this Policy if there are changes to the Relevant Law which our Actuary considers materially affects our ability to make the Regular Payments; and
- (c) adjust the amount of Regular Payments to reflect any changes, or the effect of any changes, to the Relevant Law, including the level and basis of tax applying to life insurance companies, or to money invested in annuities.



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