

# ***PR 2015/10A1 - Addendum - Income tax: Challenger CarePlus***

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# Addendum

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## Product Ruling

### Income tax: Challenger CarePlus

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Product Ruling PR 2015/10 to incorporate a new Product Disclosure Statement and to reflect changes that the policy owner must purchase both the Annuity and Insurance.

#### **PR 2015/10 is amended as follows:**

##### **1. Paragraph 2**

Omit the paragraph; substitute:

2. In this Product Ruling the scheme is an investment in Challenger CarePlus (CarePlus) offered by Challenger Life Company Limited (Challenger) under:

- the Product Disclosure Statement dated 14 August 2015 (PDS), and
- the Product Disclosure Statement dated 19 August 2016 (PDS).

All references to the 'PDS' in this Product Ruling are to be read as a reference to one of the two offer documents referred to above, as applicable. CarePlus is comprised of two products, being CarePlus Annuity (Annuity) and CarePlus Insurance (Insurance).

##### **2. Subparagraph 5(b)**

After 'the Insurance' insert the footnote:

<sup>1A</sup> From 16 August 2016, policy owners must purchase both the Annuity and Insurance.

##### **3. Paragraph 16**

Omit all bullet points; substitute:

- application for a Product Ruling as constituted by documents and information received on 4 August 2014, 10 August 2015, 13 August 2015, 14 August 2015, 21 August 2015, 24 August 2015 and 9 July 2018

- Challenger CarePlus Product Disclosure Statement dated 14 August 2015, including the CarePlus Annuity Policy Document and the CarePlus Insurance Policy Document
- Challenger CarePlus Product Disclosure Statement dated 19 August 2016, including the CarePlus Annuity Policy Document and the CarePlus Insurance Policy Document, and
- Investor Certificates.

#### 4. Paragraph 19

Omit the paragraph; substitute:

19. As part of its life insurance business, Challenger has issued CarePlus, comprised of two separate policies, the Annuity and the Insurance. On offer is investment in both the Annuity and the Insurance. Prior to 19 August 2016, policy owners could choose to purchase the Annuity without the Insurance.

#### 5. Paragraph 20

Omit the first sentence; substitute 'To purchase the Annuity and (if applicable) the Insurance the policy owner is required, among other things, to execute and lodge the application form attached to the PDS with Challenger, together with an investment amount of at least \$10,000.'

#### 6. Paragraph 31

Omit the paragraph; substitute:

31. Upon the death of the policy owner, Challenger will pay a fixed lump sum amount (the sum insured) either to one or more beneficiaries nominated by the policy owner or, where a valid nomination has not been made, to the policy owner's deceased estate. The sum insured, as specified in the CarePlus Insurance Investor Certificate issued to the policy owner, is determined at the time the Insurance is purchased and will be equal to 100% of their CarePlus investment amount or, for policy owners who purchased the Insurance prior to 16 August 2016, equal to either 50% or 100% of their CarePlus investment amount depending on their choice.

#### 7. Paragraph 56

Omit footnote 6; substitute:

<sup>6</sup> For the purposes of the definition of 'life expectation factor' in subsection 27H(4) and with respect to annuities first

commencing to be payable on or after 1 July 1993, regulation 7 table item 4 of the *Income Tax Assessment (1936 Act) Regulation 2015* prescribes the Australian Life Tables that are most recently published by the Australian Government Actuary before the year in which the annuity first commences to be payable.

## 8. References

- (a) Omit all Subject references.
- (b) Legislative references

Omit:

- ITR 1936 9(d)

Substitute:

- ITA(1936A)R 2015 7

## 9. Detailed contents list

Omit:

*Capital gain or loss from payments under the Annuity disregarded* 88

Substitute:

*Capital gain or loss from payments under the Insurance disregarded* 88

This Addendum applies on and from 14 August 2015.

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### Commissioner of Taxation

26 September 2018

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ATO references

NO: 1-FG5P91P  
 ISSN: 2205-6114  
 BSL: PGH  
 ATOLaw topic: Income tax ~~ Project financing ~~ Finance

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