

**Authorised Representatives  
Count Wealth Accountants**

Ian R. Brooks  
Christine E. Hughes  
Andrew J. Rushworth

28 July 2006

General Manager  
Superannuation, Retirement and Savings Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Sir / Madam,

I write in regard to the proposed changes to superannuation legislation as announced in the 2006 Federal Budget.

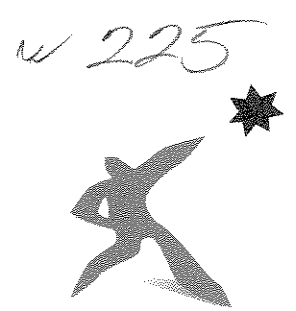
Specifically, the proposal to limit Undeducted Contribution to a maximum of \$150,000 per annum or \$450,000 over 3 years.

We are concerned about how this will disadvantage individuals who are disabled (in particular Totally and Permanently Disabled) and receive compensation payments due to disability or disablement that are designed to allow them to fund medical expenses and produce an income to fund ongoing care required.

In the past it has been possible to contribute such payments to superannuation and access these funds under the Total and Permanent Disablement (TPD) condition of release provisions to provide an income stream for that client for the remainder of their life or until funds are depleted.

If these new provisions are passed, these clients will no longer be able to use the superannuation system in this way as they will be limited to a contribution of \$150,000 per annum or \$450,000 over three years making the use of superannuation in their strategy a slow and complex process.

We propose the legislation be amended to allow compensation payments made due to TPD to be allowed to be contributed to superannuation if they can be accessed by the client under the TPD provisions.



**Count  
Star Financial  
Financial Advisors**

43 Greenhill Road  
Wayville SA 5034  
Telephone: (08) 8273 0090  
Facsimile: (08) 8373 1106

GPO Box 2635  
ADELAIDE SA 5001

By appointment  
Suite 4/166 Main South Road  
Morphett Vale SA 5162

Telephone: (08) 8186 6007  
Facsimile: (08) 8219 0173

Looking after your financial life

We understand that compensation payments can be complex and are paid as compensation for a large number of purposes including but not limited to; loss of income, pain and suffering, medical costs present and future, home help. Any changes to the proposed legislation will need to take the reason for the payment into consideration however in most TPD circumstances we believe that they should have access to the superannuation system as payments will ultimately be to fund their retirement whether voluntary or forced.

We are very concerned about how recipients of these payments will be disadvantaged should this legislation be passed. The individuals who will be able to access these funds will be those unable to return to the workforce and requiring these funds to maintain a standard of living outside of a government funded facility.

We have provided an example below of the additional tax payable if funds are invested outside of the superannuation as opposed to inside the superannuation environment and an income stream started.

Example:

Client receives approximately \$2 million in compensation payments for injury and loss of income. Client is Total and Permanently disabled and will be unable to return to the work force. The client requires continuous medical treatment and a carer to assist them.

Assuming the client requires approximately \$120,000 per annum after tax in order to maintain their lifestyle and fund their medical expenses and their investment earns approximately 6% per annum, being funds required.

## Scenarios

### Scenario 1 invested outside the superannuation environment.

Estimated Cash flow summary

	Client
<u>Cashflow Incomings</u>	
Gross Salary	\$ -
Investment Income (6%)	\$120,000
Capital Drawdown Required	
Cash Inflows	\$120,000
<u>Cashflow Outgoings</u>	
Tax Payable	\$ 37,650
Living Expenses	\$120,000
Total Outgoings	\$157,650
Net Savings Capacity / Capital Required	-\$ 37,650

Under this scenario the client will be required to make large capital withdrawals in order to fund their income requirements and capital will be depleted very quickly. Capital Gains tax will be payable on any gains made on investments withdrawn further depleting capital. Leaving no way to fund future income requirements once funds are depleted and requiring the client to move into a government funded facility and rely on government assistance.

**Scenario 2 invested inside the super environment.**

Estimated Cash flow summary

	Client
<i>Cashflow Incomings</i>	
Gross Salary	\$ -
Pension	\$120,000
Cash Inflows	\$120,000
<i>Cashflow Outgoings</i>	
Tax Payable	\$ 9,505
Living Expenses	\$120,000
Total Outgoings	\$129,505
Net Savings Capacity	-\$ 9,505

Under this scenario the client will be able to draw a pension (based on the relevant pension legislation) which will be concessionally taxed reducing the gross income and capital drawn required and significantly increasing the time period for which the client can remain self funded.

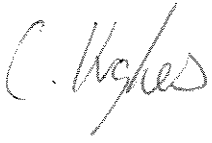
Please refer to the attachment for estimated tax calculations and projections.

The client will be unable to receive Centrelink entitlement for Disability as the Disability Support Pension is income and asset tested (unless client is permanently blind). The client is not likely to be eligible for a Health Care Card as they will not qualify to receive government support.

Up until now clients in this situation have been able to contribute such payments to superannuation and if they satisfy the Total and Permanent Disablement condition of release can start an income stream allowing them to tax effectively provide for their future, or their forced retirement.

Should you have any queries regarding the enclosed please do not hesitate to contact our office.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'C. Hughes'. The signature is written in a cursive style with a large initial 'C' and a long, sweeping underline.

Christine Hughes

Authorised Representative

Count Financial Limited

# Investment Savings

INTERACT®

Prepared for : **Client Budget**  
Prepared by : **Count Wealth Accountants**

Print Date : 31 July 2006

## Client Details

Name	Client Budget	Eligible Service Date	01/01/1975
Date of Birth	01/01/1955	Projected to Age	80
Sex	Male		

## Accumulation Phase

Calculation Date	31/07/2006
Assets at Calculation Date	\$2,000,000
Investment p.a.	\$0
Investments Increasing Thereafter at	0.00 %
Investment Fee	0.00 %
Transfer Fee	0.00 %
Tax Rate	41.50 %
	<u>Projection A</u>
Net Earning Rate	6.87 %

## Drawdown Phase

Drawdown Start Date	01/08/2006
Frequency	Monthly
Average Tax Rate on Earnings	41.50 %
	<u>Projection A</u>
Net Earning Rate	6.00 %
Assets at Drawdown Start	\$2,007,936
Gross Annual Drawdown	\$120,000
Increasing Thereafter at	0.00 %

## **Important Notes:**

1. The earning rates used in these projections are assumed to be net of all ongoing fees and charges excluding the entry fee.
2. Investment Savings are assumed to be payable monthly in advance.
3. The projections set out below are based on the assumed rates of investment return shown. In the "Accumulation Phase", tax on Investment Savings is applied to the income portion of earnings at the nominated rate.
4. In "Drawdown Phase", Capital Gains have assumed to have been realised and reinvested in the following year. ie. the average tax rate is applied to all Investment Savings earnings.
5. The calculations are based on the data provided and are dependent on the accuracy of the information and the relevant law of the date of development of this software.
6. It is assumed that all lump sum investments and withdrawals are made at the beginning of the financial year for the specified age.
7. It is assumed no capital gains are incurred on lump sum withdrawals in the Accumulation Phase.
8. Compounding period is monthly for regular savings and annually for lump sum investments.

## **Disclaimer:**

Results shown are illustrations only and are not guaranteed. The performance of any of the investment funds is not guaranteed and is dependent on economic conditions, investment management and future legislative and taxation changes. Account balances can rise and fall, and earnings in a period may be negative.

# Investment Savings

INTERACT®

Prepared for : **Client Budget**  
 Prepared by : **Count Wealth Accountants**

Print Date : 31 July 2006

## Projection A

### Assumptions:

Accumulation Phase Earning Rate	6.87 %	Investment Increase By	0.00 %
Drawdown Phase Earning Rate	6.00 %	Drawdown Increase By	0.00 %

Age	Investment Savings	Drawdown	Lump Sum Investment	Lump Sum Withdrawal	Gross Earnings	Tax	Net Earnings	Inv. A/C Bal
52	\$0	\$110,000	\$0	\$0	\$118,154	\$47,796	\$70,358	\$1,960,358
53	\$0	\$120,000	\$0	\$0	\$113,756	\$47,209	\$66,547	\$1,906,905
54	\$0	\$120,000	\$0	\$0	\$110,549	\$45,878	\$64,671	\$1,851,577
55	\$0	\$120,000	\$0	\$0	\$107,229	\$44,500	\$62,729	\$1,794,306
56	\$0	\$120,000	\$0	\$0	\$103,793	\$43,074	\$60,719	\$1,735,025
57	\$0	\$120,000	\$0	\$0	\$100,236	\$41,598	\$58,638	\$1,673,663
58	\$0	\$120,000	\$0	\$0	\$96,554	\$40,070	\$56,484	\$1,610,147
59	\$0	\$120,000	\$0	\$0	\$92,744	\$38,489	\$54,255	\$1,544,402
60	\$0	\$120,000	\$0	\$0	\$88,799	\$36,852	\$51,947	\$1,476,349
61	\$0	\$120,000	\$0	\$0	\$84,716	\$35,157	\$49,559	\$1,405,908
62	\$0	\$120,000	\$0	\$0	\$80,489	\$33,403	\$47,086	\$1,332,994
63	\$0	\$120,000	\$0	\$0	\$76,114	\$31,587	\$44,527	\$1,257,521
64	\$0	\$120,000	\$0	\$0	\$71,586	\$29,708	\$41,878	\$1,179,399
65	\$0	\$120,000	\$0	\$0	\$66,899	\$27,763	\$39,136	\$1,098,535
66	\$0	\$120,000	\$0	\$0	\$62,047	\$25,749	\$36,297	\$1,014,832
67	\$0	\$120,000	\$0	\$0	\$57,025	\$23,665	\$33,359	\$928,192
68	\$0	\$120,000	\$0	\$0	\$51,826	\$21,508	\$30,318	\$838,510
69	\$0	\$120,000	\$0	\$0	\$46,445	\$19,275	\$27,171	\$745,680
70	\$0	\$120,000	\$0	\$0	\$40,876	\$16,963	\$23,912	\$649,593
71	\$0	\$120,000	\$0	\$0	\$35,110	\$14,571	\$20,540	\$550,132
72	\$0	\$120,000	\$0	\$0	\$29,143	\$12,094	\$17,048	\$447,181
73	\$0	\$120,000	\$0	\$0	\$22,966	\$9,531	\$13,435	\$340,615
74	\$0	\$120,000	\$0	\$0	\$16,572	\$6,877	\$9,694	\$230,310
75	\$0	\$120,000	\$0	\$0	\$9,953	\$4,131	\$5,823	\$116,133
76	\$0	\$117,948	\$0	\$0	\$3,103	\$1,288	\$1,815	\$0
77	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
78	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
79	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
80	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note : The Age and the Account Balance are calculated as at 30 June every year and at Retirement.

### Privacy Clause

Count Wealth Accountants has collected the above information to provide products/services you have requested. If your information is sensitive, it will be used only for the purpose for which it was provided. Non-sensitive information may be used for related purposes, such as maintaining our relationship and providing additional related products / services. To view or correct any information, please contact your Adviser.

# Investment Savings

INTERACT®

Prepared for : **Client Budget**  
Prepared by : **Count Wealth Accountants**

Print Date : 31 July 2006

## Client Details

Name	Client Budget	Eligible Service Date	01/01/1975
Date of Birth	01/01/1955	Projected to Age	80
Sex	Male		

## Accumulation Phase

Calculation Date	31/07/2006
Assets at Calculation Date	\$2,000,000
Investment p.a.	\$0
Investments Increasing Thereafter at	0.00 %
Investment Fee	0.00 %
Transfer Fee	0.00 %
Tax Rate	41.50 %

	<u>Projection A</u>
Net Earning Rate	6.87 %

## Drawdown Phase

Drawdown Start Date	01/08/2006
Frequency	Monthly
Average Tax Rate on Earnings	41.50 %

	<u>Projection A</u>
Net Earning Rate	6.00 %
Assets at Drawdown Start	\$2,007,936
Gross Annual Drawdown	\$120,000
Increasing Thereafter at	2.50 %

## **Important Notes:**

1. The earning rates used in these projections are assumed to be net of all ongoing fees and charges excluding the entry fee.
2. Investment Savings are assumed to be payable monthly in advance.
3. The projections set out below are based on the assumed rates of investment return shown. In the "Accumulation Phase", tax on Investment Savings is applied to the income portion of earnings at the nominated rate.
4. In "Drawdown Phase", Capital Gains have assumed to have been realised and reinvested in the following year. ie. the average tax rate is applied to all Investment Savings earnings.
5. The calculations are based on the data provided and are dependent on the accuracy of the information and the relevant law of the date of development of this software.
6. It is assumed that all lump sum investments and withdrawals are made at the beginning of the financial year for the specified age.
7. It is assumed no capital gains are incurred on lump sum withdrawals in the Accumulation Phase.
8. Compounding period is monthly for regular savings and annually for lump sum investments.

## **Disclaimer:**

Results shown are illustrations only and are not guaranteed. The performance of any of the investment funds is not guaranteed and is dependent on economic conditions, investment management and future legislative and taxation changes. Account balances can rise and fall, and earnings in a period may be negative.

# Investment Savings

INTERACT®

Prepared for : **Client Budget**  
 Prepared by : **Count Wealth Accountants**

Print Date : 31 July 2006

## Projection A

### Assumptions:

Accumulation Phase Earning Rate	6.87 %	Investment Increase By	0.00 %
Drawdown Phase Earning Rate	6.00 %	Drawdown Increase By	2.50 %

Age	Investment Savings	Drawdown	Lump Sum Investment	Lump Sum Withdrawal	Gross Earnings	Tax	Net Earnings	Inv. A/C Bal
52	\$0	\$110,000	\$0	\$0	\$118,154	\$47,796	\$70,358	\$1,960,358
53	\$0	\$123,000	\$0	\$0	\$113,660	\$47,169	\$66,491	\$1,903,849
54	\$0	\$126,075	\$0	\$0	\$110,170	\$45,721	\$64,449	\$1,842,223
55	\$0	\$129,227	\$0	\$0	\$106,371	\$44,144	\$62,227	\$1,775,223
56	\$0	\$132,458	\$0	\$0	\$102,247	\$42,432	\$59,814	\$1,702,580
57	\$0	\$135,769	\$0	\$0	\$97,782	\$40,579	\$57,202	\$1,624,013
58	\$0	\$139,163	\$0	\$0	\$92,958	\$38,578	\$54,381	\$1,539,231
59	\$0	\$142,642	\$0	\$0	\$87,759	\$36,420	\$51,339	\$1,447,928
60	\$0	\$146,208	\$0	\$0	\$82,166	\$34,099	\$48,067	\$1,349,787
61	\$0	\$149,864	\$0	\$0	\$76,160	\$31,606	\$44,554	\$1,244,477
62	\$0	\$153,610	\$0	\$0	\$69,721	\$28,934	\$40,787	\$1,131,653
63	\$0	\$157,450	\$0	\$0	\$62,828	\$26,073	\$36,754	\$1,010,957
64	\$0	\$161,387	\$0	\$0	\$55,459	\$23,015	\$32,444	\$882,014
65	\$0	\$165,421	\$0	\$0	\$47,592	\$19,751	\$27,842	\$744,434
66	\$0	\$169,557	\$0	\$0	\$39,204	\$16,270	\$22,935	\$597,812
67	\$0	\$173,796	\$0	\$0	\$30,271	\$12,562	\$17,708	\$441,724
68	\$0	\$178,141	\$0	\$0	\$20,765	\$8,618	\$12,148	\$275,731
69	\$0	\$182,594	\$0	\$0	\$10,662	\$4,425	\$6,238	\$99,375
70	\$0	\$99,375	\$0	\$0	\$0	\$0	\$0	\$0
71	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
72	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
73	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
74	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
76	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
77	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
78	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
79	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
80	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note : The Age and the Account Balance are calculated as at 30 June every year and at Retirement.

### Privacy Clause

Count Wealth Accountants has collected the above information to provide products/services you have requested. If your information is sensitive, it will be used only for the purpose for which it was provided. Non-sensitive information may be used for related purposes, such as maintaining our relationship and providing additional related products / services. To view or correct any information, please contact your Adviser.



# Allocated Pension Illustrations

INTERACT®

Prepared for : **Client Budget**  
Prepared by : **Count Wealth Accountants**

Print Date : 31 July 2006

## Client Details

Name Client Budget  
Date of Birth 01/01/1955 Sex Male

Calculation Date 31/07/2006 Death Benefit Option Lump Sum Option  
PVF Option PVF On or After 1 January 2006

## Eligible Termination Payment Details

Eligible Service Date	01/01/1975
Concessional Component	\$0
Invalidity Component	\$0
Pre 1 July 1983 Component	\$0
Post 30 June 1983 Component - Taxed	\$0
- Untaxed	\$0
Undeducted Contributions Component	\$2,000,000
CGT Exempt Component	\$0
Excess Component	\$0
<b>Total</b>	<b>\$2,000,000</b>

## Pension Details

Pension Start Date 31/07/2006 First Payment Date 01/08/2006  
Payment Frequency Monthly Disability Pension No

## Projection A

	<b>First Year (pro-rated)</b>	<b>Annualised</b>
Assets at Pension Start Date (Purchase Price)	\$2,000,000	\$2,000,000
Undeducted Purchase Price (UPP)	\$2,000,000	\$2,000,000
Selected Gross Pension	\$110,137	\$120,000
Less Deductible Amount (Tax free amount)	\$62,245	\$67,820
Taxable Pension	\$47,892	\$52,180
Gross Tax Payable (excluding Medicare Levy)	\$9,718	\$11,004
Less Rebate	\$0	\$0
Less Net Tax Payable	\$9,718	\$11,004
Less Medicare Levy	\$718	\$782
Net Pension Payable	\$99,701	\$108,214
Minimum Pension Payment	\$81,580	\$88,890
Maximum Pension Payment	\$154,250	\$168,070
Deductible Amount for Social Security	\$62,245	\$67,820

## Important Notes

- The calculation of the UPP included Undeducted Contributions (after fees have been deducted in some cases).
- The General Exemption has been applied in tax calculations.
- The calculations are based on the data provided and are dependent on the accuracy of the information and the relevant law of the date of development of this software.

# Allocated Pension Illustrations

INTERACT®

Prepared for : **Client Budget**  
 Prepared by : **Count Wealth Accountants**

Print Date : 31 July 2006

## Projection A

### Assumptions:

Net Earning Rate 6.00 %  
 Annual Pension Increase 0.00 % Annual Tax Free Component of Pension \$67,820

Age	Opening Balance	Selected Pension	Net Tax Payable	Excess Rebate	Medicare Levy	Net Pension	Account Earnings
51	\$2,000,000	\$110,137	\$9,718	\$0	\$718	\$99,701	\$109,263
52	\$1,999,126	\$120,000	\$11,004	\$0	\$782	\$108,214	\$118,719
53	\$1,997,845	\$120,000	\$11,004	\$0	\$782	\$108,214	\$118,641
54	\$1,996,486	\$120,000	\$7,090	\$0	\$782	\$112,128	\$118,557
55	\$1,995,043	\$120,000	\$3,177	\$0	\$782	\$116,041	\$118,469
56	\$1,993,512	\$120,000	\$3,177	\$0	\$782	\$116,041	\$118,375
57	\$1,991,887	\$120,000	\$3,177	\$0	\$782	\$116,041	\$118,275
58	\$1,990,162	\$120,000	\$3,177	\$0	\$782	\$116,041	\$118,169
59	\$1,988,331	\$120,000	\$3,177	\$0	\$782	\$116,041	\$118,057
60	\$1,986,388	\$120,000	\$3,177	\$0	\$782	\$116,041	\$117,937
61	\$1,984,325	\$120,000	\$3,177	\$0	\$782	\$116,041	\$117,811
62	\$1,982,136	\$120,000	\$3,177	\$0	\$782	\$116,041	\$117,677
63	\$1,979,813	\$120,000	\$3,177	\$0	\$782	\$116,041	\$117,534
64	\$1,977,347	\$120,000	\$3,177	\$0	\$782	\$116,041	\$117,383
65	\$1,974,730	\$120,000	\$3,177	\$0	\$782	\$116,041	\$117,222
66	\$1,971,952	\$120,000	\$3,177	\$0	\$782	\$116,041	\$117,052
67	\$1,969,004	\$120,060 *	\$3,186	\$0	\$783	\$116,091	\$116,869
68	\$1,965,813	\$122,860 *	\$3,606	\$0	\$825	\$118,429	\$116,581
69	\$1,959,534	\$126,420 *	\$4,140	\$0	\$879	\$121,401	\$116,078
70	\$1,949,192	\$129,090 *	\$4,540	\$0	\$919	\$123,631	\$115,355
71	\$1,935,457	\$132,570 *	\$5,062	\$0	\$971	\$126,537	\$114,398
72	\$1,917,285	\$135,020 *	\$5,430	\$0	\$1,008	\$128,582	\$113,202
73	\$1,895,467	\$138,360 *	\$5,931	\$0	\$1,058	\$131,371	\$111,753
74	\$1,868,860	\$140,520 *	\$6,255	\$0	\$1,090	\$133,175	\$110,049
75	\$1,838,389	\$143,620 *	\$6,800	\$0	\$1,137	\$135,683	\$108,077
76	\$1,802,846	\$146,570 *	\$7,537	\$0	\$1,181	\$137,852	\$105,799
77	\$1,762,075	\$148,070 *	\$7,912	\$0	\$1,203	\$138,955	\$103,248
78	\$1,717,253	\$150,640 *	\$8,555	\$0	\$1,242	\$140,843	\$100,413
79	\$1,667,026	\$152,940 *	\$9,130	\$0	\$1,276	\$142,534	\$97,255
80	\$1,611,341	\$153,460 *	\$9,260	\$0	\$1,284	\$142,916	\$93,821
81	\$1,551,702	\$155,170 *	\$9,687	\$0	\$1,310	\$144,173	\$90,105
82	\$1,486,637	\$154,860 *	\$9,610	\$0	\$1,305	\$143,945	\$86,122
83	\$1,417,899	\$155,810 *	\$9,847	\$0	\$1,319	\$144,644	\$81,873
84	\$1,343,962	\$154,480 *	\$9,515	\$0	\$1,299	\$143,666	\$77,380
85	\$1,266,862	\$152,630 *	\$9,052	\$0	\$1,272	\$142,306	\$72,710
86	\$1,186,941	\$150,250 *	\$8,457	\$0	\$1,236	\$140,557	\$67,884

# Allocated Pension Illustrations

INTERACT®

Prepared for : **Client Budget**

Print Date : 31 July 2006

Prepared by : **Count Wealth Accountants**

87	\$1,104,575	\$147,280 *	\$7,715	\$0	\$1,191	\$138,374	\$62,927
88	\$1,020,222	\$141,700 *	\$6,432	\$0	\$1,108	\$134,160	\$57,935
89	\$936,457	\$135,720 *	\$5,535	\$0	\$1,018	\$129,167	\$52,992
90	\$853,729	\$129,350 *	\$4,579	\$0	\$922	\$123,849	\$48,125
91	\$772,504	\$122,620 *	\$3,570	\$0	\$822	\$118,228	\$43,363
92	\$693,247	\$120,000	\$3,177	\$0	\$782	\$116,041	\$38,586
93	\$611,833	\$120,000	\$3,177	\$0	\$782	\$116,041	\$33,590
94	\$525,423	\$120,000	\$3,177	\$0	\$782	\$116,041	\$28,287
95	\$433,710	\$120,000	\$3,177	\$0	\$782	\$116,041	\$22,660
96	\$336,370	\$120,000	\$3,177	\$0	\$782	\$116,041	\$16,686
97	\$233,056	\$120,000	\$3,177	\$0	\$782	\$116,041	\$10,347
98	\$123,403	\$120,000	\$3,177	\$0	\$782	\$116,041	\$3,618
99	\$7,021	\$7,020 *	\$0	\$0	\$0	\$7,020	\$199
100	\$200	\$204 *	\$0	\$0	\$0	\$204	\$4
<b>Totals</b>			<b>\$270,522</b>	<b>\$0</b>	<b>\$45,580</b>	<b>\$5,981,329</b>	<b>\$4,297,432</b>

An asterisk (\*) beside the Selected Pension figure indicates that an adjustment has been made to the Selected Pension to fall within the Minimum and Maximum levels.

- Notes:**
1. The Age is calculated at the pension start date and at the beginning of each subsequent financial year.
  2. The projections are based on the assumed rates of investment returns shown. Actual outcomes will of course depend upon future investment conditions and cannot be guaranteed.
  3. The calculations are based on the data provided and are dependent on the accuracy of the information and the relevant law of the date of development of this software.

Prepared for : **Client Budget**  
Prepared by : **Count Wealth Accountants**

Print Date : 31 July 2006

## Important Notes

1. The earning rates used in these projections are assumed to be net of all fees and charges. The entry fee is 0.00 % of the total ETP rollover. No exit fees apply.  
  
Taxation of 15% is assumed to apply during the period prior to commencement of the pension. The Earning Rates used are not intended to reflect any particular choice of investment fund.
2. Results shown are illustrations only and are not guaranteed. The performance of any of the investment funds is not guaranteed and is dependent on economic conditions, investment management and future legislative and taxation changes. Account balances can rise and fall, and earnings in a period may be negative.
3. The illustrations are based on financial years ending 30 June and the selected pension represents payments in each financial year.
4. The selected pension must fall between the statutory minimum and maximum pension limits each year. These limits are calculated at the commencement date and 1 July of each year.
5. The selected pension will continue to be paid while there are sufficient moneys in the account balance. The date the pension ceases will depend on the actual investment earnings and pension levels selected from time to time.
6. Indexation of the pension (where applicable) is for illustrative purposes only. Actual payments may be determined annually by the Pensioner.
7. The net tax payable has been calculated using the current income tax scales. The general tax exemption applies and if the client is over age 55, the 15% pension/ annuity rebate has been applied. The net tax payable excludes the Medicare Levy. The Medicare Levy Calculation assumes that the client is of age pension age.  
The actual amount of tax payable will depend upon your personal circumstances at the time of income tax assessment.
8. These illustrations assume that there are no lump sum withdrawals.
9. Earnings are calculated monthly and credited to the account balance at the end of each quarter (ie. Mar, June, Sept and Dec.)

## **Privacy Clause**

Count Wealth Accountants has collected the above information to provide products/services you have requested. If your information is sensitive, it will be used only for the purpose for which it was provided. Non-sensitive information may be used for related purposes, such as maintaining our relationship and providing additional related products / services. To view or correct any information, please contact your Adviser.

# Allocated Pension Illustrations

INTERACT®

Prepared for : **Client Budget**  
Prepared by : **Count Wealth Accountants**

Print Date : 31 July 2006

## Client Details

Name Client Budget  
Date of Birth 01/01/1955 Sex Male

Calculation Date 31/07/2006 Death Benefit Option Lump Sum Option  
PVF Option PVF On or After 1 January 2006

## Eligible Termination Payment Details

Eligible Service Date	01/01/1975
Concessional Component	\$0
Invalidity Component	\$0
Pre 1 July 1983 Component	\$0
Post 30 June 1983 Component - Taxed	\$0
- Untaxed	\$0
Undeducted Contributions Component	\$2,000,000
CGT Exempt Component	\$0
Excess Component	\$0
<b>Total</b>	<b>\$2,000,000</b>

## Pension Details

Pension Start Date	31/07/2006	First Payment Date	01/08/2006
Payment Frequency	Monthly	Disability Pension	No

## Projection A

	<b>First Year (pro-rated)</b>	<b>Annualised</b>
Assets at Pension Start Date (Purchase Price)	\$2,000,000	\$2,000,000
Undeducted Purchase Price (UPP)	\$2,000,000	\$2,000,000
Selected Gross Pension	\$110,137	\$120,000
Less Deductible Amount (Tax free amount)	\$62,245	\$67,820
Taxable Pension	\$47,892	\$52,180
Gross Tax Payable (excluding Medicare Levy)	\$9,718	\$11,004
Less Rebate	\$0	\$0
Less Net Tax Payable	\$9,718	\$11,004
Less Medicare Levy	\$718	\$782
Net Pension Payable	\$99,701	\$108,214
Minimum Pension Payment	\$81,580	\$88,890
Maximum Pension Payment	\$154,250	\$168,070
Deductible Amount for Social Security	\$62,245	\$67,820

## Important Notes

- The calculation of the UPP included Undeducted Contributions (after fees have been deducted in some cases).
- The General Exemption has been applied in tax calculations.
- The calculations are based on the data provided and are dependent on the accuracy of the information and the relevant law of the date of development of this software.

# Allocated Pension Illustrations

INTERACT®

Prepared for : **Client Budget**

Print Date : 31 July 2006

Prepared by : **Count Wealth Accountants**

## Projection A

### Assumptions:

Net Earning Rate	6.00 %		
Annual Pension Increase	2.50 %	Annual Tax Free Component of Pension	\$67,820

Age	Opening Balance	Selected Pension	Net Tax Payable	Excess Rebate	Medicare Levy	Net Pension	Account Earnings
51	\$2,000,000	\$110,137	\$9,718	\$0	\$718	\$99,701	\$109,263
52	\$1,999,126	\$123,000	\$11,904	\$0	\$827	\$110,269	\$118,620
53	\$1,994,746	\$126,075	\$12,827	\$0	\$873	\$112,375	\$118,250
54	\$1,986,921	\$129,227	\$9,166	\$0	\$921	\$119,140	\$117,666
55	\$1,975,360	\$132,458	\$5,046	\$0	\$969	\$126,443	\$116,850
56	\$1,959,753	\$135,769	\$5,543	\$0	\$1,019	\$129,207	\$115,783
57	\$1,939,767	\$139,163	\$6,051	\$0	\$1,070	\$132,042	\$114,445
58	\$1,915,049	\$142,642	\$6,574	\$0	\$1,122	\$134,946	\$112,814
59	\$1,885,220	\$146,208	\$7,448	\$0	\$1,175	\$137,585	\$110,866
60	\$1,849,877	\$149,864	\$8,361	\$0	\$1,230	\$140,273	\$108,577
61	\$1,808,590	\$153,610	\$9,297	\$0	\$1,286	\$143,027	\$105,920
62	\$1,760,899	\$157,450	\$10,257	\$0	\$1,344	\$145,849	\$102,867
63	\$1,706,315	\$161,387	\$11,242	\$0	\$1,403	\$148,742	\$99,387
64	\$1,644,316	\$162,800 *	\$11,595	\$0	\$1,424	\$149,781	\$95,536
65	\$1,577,052	\$159,300 *	\$10,720	\$0	\$1,372	\$147,208	\$91,524
66	\$1,509,276	\$157,220 *	\$10,200	\$0	\$1,341	\$145,679	\$87,434
67	\$1,439,490	\$154,780 *	\$9,590	\$0	\$1,304	\$143,886	\$83,232
68	\$1,367,942	\$150,320 *	\$8,475	\$0	\$1,237	\$140,608	\$78,988
69	\$1,296,610	\$149,040 *	\$8,155	\$0	\$1,218	\$139,667	\$74,653
70	\$1,222,223	\$145,500 *	\$7,270	\$0	\$1,165	\$137,065	\$70,205
71	\$1,146,928	\$143,370 *	\$6,737	\$0	\$1,133	\$135,500	\$65,655
72	\$1,069,213	\$140,690 *	\$6,280	\$0	\$1,093	\$133,317	\$60,975
73	\$989,497	\$137,430 *	\$5,791	\$0	\$1,044	\$130,595	\$56,190
74	\$908,257	\$135,560 *	\$5,511	\$0	\$1,016	\$129,033	\$51,267
75	\$823,964	\$132,900 *	\$5,112	\$0	\$976	\$126,812	\$46,182
76	\$737,246	\$129,340 *	\$4,578	\$0	\$922	\$123,840	\$40,978
77	\$648,884	\$127,230 *	\$4,261	\$0	\$891	\$122,078	\$35,625
78	\$557,279	\$123,840 *	\$3,753	\$0	\$840	\$119,247	\$30,116
79	\$463,555	\$121,990 *	\$3,475	\$0	\$812	\$117,703	\$24,425
80	\$365,991	\$118,060 *	\$2,886	\$0	\$753	\$114,421	\$18,568
81	\$266,499	\$115,870 *	\$2,557	\$0	\$720	\$112,593	\$12,535
82	\$163,164	\$116,550 *	\$2,659	\$0	\$730	\$113,161	\$6,172
83	\$52,786	\$52,786 *	\$0	\$0	\$0	\$52,786	\$1,500
84	\$1,500	\$1,542 *	\$0	\$0	\$0	\$1,542	\$42
<b>Totals</b>			<b>\$233,039</b>	<b>\$0</b>	<b>\$33,948</b>	<b>\$4,216,121</b>	<b>\$2,483,110</b>

# Allocated Pension Illustrations

INTERACT®

---

Prepared for : **Client Budget**  
Prepared by : **Count Wealth Accountants**

Print Date : 31 July 2006

---

An asterisk (\*) beside the Selected Pension figure indicates that an adjustment has been made to the Selected Pension to fall within the Minimum and Maximum levels.

- Notes:**
1. The Age is calculated at the pension start date and at the beginning of each subsequent financial year.
  2. The projections are based on the assumed rates of investment returns shown. Actual outcomes will of course depend upon future investment conditions and cannot be guaranteed.
  3. The calculations are based on the data provided and are dependent on the accuracy of the information and the relevant law of the date of development of this software.

Prepared for : **Client Budget**  
Prepared by : **Count Wealth Accountants**

Print Date : 31 July 2006

## Important Notes

1. The earning rates used in these projections are assumed to be net of all fees and charges. The entry fee is 0.00 % of the total ETP rollover. No exit fees apply.  
  
Taxation of 15% is assumed to apply during the period prior to commencement of the pension. The Earning Rates used are not intended to reflect any particular choice of investment fund.
2. Results shown are illustrations only and are not guaranteed. The performance of any of the investment funds is not guaranteed and is dependent on economic conditions, investment management and future legislative and taxation changes. Account balances can rise and fall, and earnings in a period may be negative.
3. The illustrations are based on financial years ending 30 June and the selected pension represents payments in each financial year.
4. The selected pension must fall between the statutory minimum and maximum pension limits each year. These limits are calculated at the commencement date and 1 July of each year.
5. The selected pension will continue to be paid while there are sufficient moneys in the account balance. The date the pension ceases will depend on the actual investment earnings and pension levels selected from time to time.
6. Indexation of the pension (where applicable) is for illustrative purposes only. Actual payments may be determined annually by the Pensioner.
7. The net tax payable has been calculated using the current income tax scales. The general tax exemption applies and if the client is over age 55, the 15% pension/ annuity rebate has been applied. The net tax payable excludes the Medicare Levy. The Medicare Levy Calculation assumes that the client is of age pension age. The actual amount of tax payable will depend upon your personal circumstances at the time of income tax assessment.
8. These illustrations assume that there are no lump sum withdrawals.
9. Earnings are calculated monthly and credited to the account balance at the end of each quarter (ie. Mar, June, Sept and Dec.)

## **Privacy Clause**

Count Wealth Accountants has collected the above information to provide products/services you have requested. If your information is sensitive, it will be used only for the purpose for which it was provided. Non-sensitive information may be used for related purposes, such as maintaining our relationship and providing additional related products / services. To view or correct any information, please contact your Adviser.



**Funds invested in outside of superannuation**

Salary	-
Investment Income	120,000.00
Actual Estimated Income	120,000.00
Franking Credits	-
Capital Gain	unknown
Assessable Income	120,000.00
Deductible Expenses	
Income protection	-
Unknown	-
Taxable Income	120,000.00
Tax Payable	35,850.00
Medicare Levy	1,800.00
Offsets	-
Franking Credits	-
Total Tax Payable	37,650.00
Net Income	82,350.00
Net Income	82,350.00
<u>Cashflow Outgoings</u>	
General Living Expenses	120,000.00
Total Outgoings	120,000.00
Capital Drawdown required	- 37,650.00

**Funds invested in Superannuation**

Salary	-
Pension Income	120,000.00
Actual Estimated Income	120,000.00
Franking Credits	-
Capital Gain	-
Assessable Income	120,000.00
Deductible Expenses	
Deductable Amount	67,820.00
Unknown	-
Taxable Income	52,180.00
Tax Payable	8,722.00
Medicare Levy	782.70
Offsets	-
Franking Credits	-
Total Tax Payable	9,504.70
Net Income	110,495.30
Net Income	110,495.30
<u>Cashflow Outgoings</u>	
General Living Expenses	120,000.00
Total Outgoings	120,000.00
Capital Drawdown required	- 9,504.70