



EXPLANATORY NOTES FOR THE LIFE INSURANCE COMPANIES TAXATION SCHEDULE 2012

INTRODUCTION

These notes are designed to help in the preparation of the *Life insurance companies taxation schedule 2012*. They are not a guide to the income tax law.

STATEMENT OF INCOME – SEGREGATED EXEMPT ASSETS (SEA)

Net investment income – SEA

If a life insurance company reconciles accounting income to taxable income, it must include at **A** the total accounting net investment income for SEA.

If a life insurance company uses a taxation basis to determine income derived from SEA, supply the following details of ordinary and statutory income derived from SEA: all investment income from SEA less losses made from the disposal of SEA. Investment income includes gains made on the disposal of investments, interest income, dividend income, trust distributions, partnership distributions, net rental income and all other investment income.

Show whether the company used an accounting basis or a taxation basis to determine net investment income derived from SEA by printing **X** in the relevant box at the right of the amount shown at **A**.

Premiums – exempt life insurance policies

Write at **B** the total amount of gross premiums received from exempt life insurance policies.

STATEMENT OF TAXABLE INCOME – ASSESSABLE INCOME

Premiums from accident and disability and term policies

Write at **C** the total amount of gross premiums received from:

- accident and disability policies
(including continuous disability policies)
- term policies, and
- the value of assets (including money) relating to the 'risk rider' component of life insurance premiums transferred from the complying superannuation/FHSA asset pool under subsections 320-180(1) and 320-195(3) of the *Income Tax Assessment Act 1997* (ITAA 1997).

Premiums – other life insurance policies

Write at **D** the total amount of gross premiums received from all life insurance policies for the ordinary class except for:

- exempt life insurance policies, and
- the amounts included in **C**.

Write at **E** for the complying superannuation/FHSA class the total amount of gross premiums received from complying superannuation/FHSA life insurance policies.

Total ordinary income – ordinary class

Write at **F** assessable income of the ordinary class that is income according to ordinary concepts.

Total complying superannuation/FHSA assessable income

Write at **G** the assessable income that is allocated to the complying superannuation/FHSA class under subsection 320-137(2) of the ITAA 1997. The total assessable income includes both income according to ordinary concepts and statutory income.

The total assessable income of the complying superannuation/FHSA class also includes transfers to the complying superannuation/FHSA asset pool, as stated in **Transfers to complying superannuation/FHSA asset pool** on the next page of these instructions. The amount shown at **G** must include these transfers.

TOFA gains in Total ordinary income – ordinary class **F** and Total complying superannuation/ FHSA assessable income **G**

If the life insurance company had financial arrangements which resulted in assessable TOFA gains, then:

- write at **U** the amount of assessable TOFA gains of the ordinary class that are income according to ordinary concepts included at **F**
- write at **T** the amount of assessable TOFA gains of the complying superannuation/FHSA class included at **G**.

STATEMENT OF TAXABLE INCOME – ALLOWABLE DEDUCTIONS

Complying superannuation/FHSA class tax losses claimed

Write at **H** the amount of tax losses of the complying superannuation/FHSA class claimed as a deduction in accordance with section 320-141 of the ITAA 1997.

Tax losses – ordinary class

Write at **I** the amount of tax losses of the ordinary class claimed as a deduction under subdivision 36A of the ITAA 1997.

Total allowable deductions – ordinary class

Write at **J** the total allowable deductions for the ordinary class. This is the total allowable deductions of the company less the total allowable deductions of the complying superannuation/FHSA class. The total allowable deductions of the ordinary class also includes transfers to the complying superannuation/FHSA asset pool as stated in **Transfers to complying superannuation/FHSA asset pool** on the next page of these instructions.

Total allowable deductions – complying superannuation/FHSA class

Write at **K** the total allowable deductions for the complying superannuation/FHSA class. This includes tax losses of the complying superannuation/FHSA class which have been claimed as a deduction as determined in accordance with section 320-141 of the ITAA 1997 and deductions other than tax losses determined in accordance with subsection 320-137(4) of the ITAA 1997.

The deductions shown at **K** cannot be greater than the assessable income shown at **G**. Where the deductions calculated at **K** are greater than the assessable income shown at **G**, show at **K** the amount recorded at **G**.

TRANSFERS

Transfers to complying superannuation/FHSA asset pool

Write at **N** the transfer value of assets (including money) transferred by the company to the complying superannuation/FHSA asset pool under subsection 320-180(3) and 320-185(1) of the ITAA 1997.

Transfers from complying superannuation/FHSA asset pool

Write at **O** the following amounts:

- the transfer value of assets (including money) transferred by the company from the complying superannuation/FHSA asset pool under subsection 320-180(1) of the ITAA 1997, and
- assets transferred (including money) under subsection 320-195(3) of the ITAA 1997 having a total transfer value equal to the following
 - all fees from investment-linked policies
 - policy fees and administration fees from other than investment-linked policies, and
 - premium-based fees from other than investment-linked policies.

Do not include the value of assets (including money) relating to the 'risk rider' component of life insurance premiums transferred from the complying superannuation/FHSA asset pool under subsections 320-180(1) or 320-195(3) of the ITAA 1997.

Transfers from SEA

Write at **P** the transfer value of assets (including money) transferred to the company's SEA under subsections 320-235(3) and 320-240(1) of the ITAA 1997.

Transfers from SEA

Write at **Q** the following amounts:

- the transfer value of assets (including money) transferred from the company's SEA under subsection 320-235(1) of the ITAA 1997, and
- assets (including money) transferred under subsection 320-250(2) of the ITAA 1997 having a total transfer value equal to the following
 - all fees from investment-linked policies
 - policy fees and administration fees from other than investment-linked policies, and
 - premium-based fees from other than investment-linked policies.

TAXPAYER'S DECLARATION

If you do not lodge this schedule with your tax return you must sign and date the schedule.

HELP IN COMPLETING THIS SCHEDULE

If you need help to complete this schedule contact Angelo Gheno at the ATO on **(03) 9275 2905**.



When lodging this life insurance companies taxation schedule, also provide a copy of the financial statement or annual report provided to the Australian Prudential Regulatory Authority (APRA) for the 2011–12 income year.

Tax file number (TFN)

Australian business number

Name of entity

Daytime telephone contact

Area code

Number

Contact person

Statement of income – segregated exempt assets (SEA)

Income – SEA

Net investment income – SEA

A

•00

Taxation
basis

Accounting
basis

Premiums – exempt life insurance policies

B

•00

Statement of taxable income – assessable income

Ordinary class

Premiums from accident and
disability and term policies

C

•00

Premiums – other life insurance policies

D

•00

Total ordinary income – ordinary class

F

•00

TOFA gains in label **F** (above)

U

•00

Complying superannuation/FHSA class

Total complying superannuation/
FHSA assessable income

G

•00

TOFA gains in label **G** (above)

T

•00

Statement of taxable income – allowable deductions

Complying superannuation/FHSA
class tax losses claimed

H

•00

Tax loss – ordinary class

I

•00

Total allowable deductions – ordinary class

J

•00

Total allowable deductions – complying
superannuation/FHSA class

K

•00

Taxable income – ordinary class

L

•00

Taxable income – complying
superannuation/FHSA class (**G** less **K**)

M

•00

Transfers

Transfers to complying
superannuation/FHSA asset pool

N

•00

Transfers from complying
superannuation/FHSA asset pool

O

•00

Transfers to SEA

P

•00

Transfers from SEA

Q

•00

F

If the schedule is not lodged with the income tax return you are required to sign and date the schedule.

Important

Before making this declaration check to ensure that all the information required has been provided on this form and any attachments to this form, and that the information provided is true and correct in every detail. If you are in doubt about any aspect of the tax return, place all the facts before the ATO. The income tax law imposes heavy penalties for false or misleading statements.

Taxpayer's declaration

DECLARATION

I declare that all the information on this form is true and correct.

Signature

Date

Day

Month

Year

Contact person

Daytime contact number (include area code)

F