

STAMP DUTY GUIDE

OneCare

1 July 2020

This Stamp Duty Guide is only applicable to new business and is to be used for the purpose of the Product Illustration (quote).

Where we are liable to pay stamp duty in relation to a policy, we may recover an amount in respect of stamp duty from the insured in addition to the cover premium. For some types of cover, the applicable stamp duty will be included in the cover premium.

The amount of stamp duty that may be recovered from the insured as part of the premium or explicitly charged in addition to the cover premium will depend on numerous factors including the type of cover and the location of the insured.

How is Stamp Duty applied for OneCare?

The following table provides an overview of the stamp duty applicable in each State or Territory that will be explicitly charged to the insured in addition to the cover premium for each cover type:

Cover Type	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Lump Sum Covers								
Life Cover	0%	0%	0%	0%	0%	0%	0%	0%
TPD Cover linked to Life Cover	0%	0%	10%	0%	11%	0%	10%	10%
Trauma Cover linked to Life Cover	0%	0%	10%	0%	11%	0%	10%	10%
SuperLink TPD Cover linked to Life Cover	0%	0%	10%	9%	11%	10%	10%	10%
SuperLink Trauma Cover linked to Life Cover	0%	0%	10%	9%	11%	10%	10%	10%
TPD Cover linked to Trauma Cover	0%	5%	10%	9%	11%	10%	10%	10%
Stand Alone TPD Cover	0%	5%	10%	9%	11%	10%	10%	10%
Stand Alone Trauma Cover	0%	5%	10%	9%	11%	10%	10%	10%
Baby Care Option	0%	5%	10%	9%	11%	10%	10%	10%
Extra Care Cover – Accidental Death	0%	0%	10%	0%	11%	10%	10%	10%
Extra Care Cover – Extended Needlestick	0%	5%	10%	9%	11%	10%	10%	10%
Extra Care Cover – Terminal Illness	0%	5%	10%	9%	11%	10%	10%	10%
Child Cover	0%	0%	0%	0%	0%	0%	0%	0%
Monthly Benefits								
Income Secure Cover	0%	5%	10%	9%	11%	10%	10%	10%
Business Expense Cover	0%	5%	10%	9%	11%	10%	10%	10%
Living Expense Cover	0%	5%	10%	9%	11%	10%	10%	10%

For some types of cover, the applicable stamp duty will be included in the cover premium. Other than as described in this guide, premiums are inclusive of any applicable stamp duty, tax, excise or other government charges that apply to the cover.

How is the policy fee allocated and when does it attract Stamp Duty?

If we look at the example of Debbie Doctor at 38 years old living in Victoria and taking the following covers under a single policy and paying yearly.

Cover Summary

Summary of Cover	Amount Insured	Total Premium
Life Cover	\$1,000,000	\$332.42
Trauma Cover	\$250,000	\$680.15
TPD Cover	\$1,000,000	\$372.31
Income Secure Cover	\$11,250 p/m	\$3,230.21
Business Expense Cover		
Living Expense Cover		
Extra Care Cover		
Child Cover		
Policy Fee		\$92.55
Stamp Duty		\$436.86
Total Premium		\$5,144.50

Why is the Stamp Duty \$436.86?

Step 1: Calculate the Stamp Duty that each cover attracts.

Step 2: Calculate the % of the Total Premium cost that each cover represents (e.g. Life Cover cost divided by Total Premium cost).

Step 3: Multiply the % per cover in Step 2 with the Policy Fee.

Step 4: Calculate the Stamp Duty on the Policy Fee allocated to each cover.

Step 5: Add the Stamp Duty from Step 1 and Step 4 to get the Total Stamp Duty.

Victoria 10% Stamp Duty (no explicit Stamp Duty for Life Cover)

Cover	Cover cost	Step 1 Stamp Duty for cover	Step 2 % of Total Premium per cover	Step 3 Policy Fee allocated to each cover	Step 4 Stamp Duty on Policy Fee	Step 5 Total Stamp Duty
Life Cover	\$332.42	\$0.00	7.20%	\$6.67	\$0.00	\$0.00
TPD Cover	\$372.31	\$37.23	8.07%	\$7.47	\$0.75	\$37.98
Trauma Cover	\$680.15	\$68.02	14.74%	\$13.64	\$1.36	\$69.38
Income Secure Cover	\$3,230.21	\$323.02	69.99%	\$64.78	\$6.48	\$329.50
Total	\$4,615.09	\$428.27	100.00%	\$92.55	\$8.59	\$436.86
Policy Fee	\$92.55					

IMPORTANT INFORMATION

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This guide sets out general information on the stamp duty charges for various covers available under OneCare. This information is based on our current interpretation of stamp duty laws and revenue office practices, which may change over time. It is not tax advice and your client should seek independent tax advice specific to their individual circumstances from a tax adviser or registered tax agent.