



IOOF

Guide to your AMIT Member
Annual (AMMA) Statement

About this Guide

If you have received an AMIT Member Annual (AMMA) Statement in respect of your investment in one of our trusts, this Guide may assist you and your tax adviser to complete your tax return for the year ended 30 June 2021.

The information in this Guide applies to you if:

- you were an individual Australian resident taxpayer during the year ended 30 June 2021, and
- you hold these investments for long term investment purposes, such that they are treated on capital account for Australian taxation purposes.

This Guide is not intended for use by those:

- with investments held in the name of a company, trust, superannuation fund or partnership;
- who hold their investments on revenue account; or
- who are non-residents for Australian taxation purposes.

Important information

This Guide has been prepared by IOOF Investment Services Limited ABN 80 007 350 405, AFS Licence No. 230703 (IISL) and contains **basic general taxation information**. IISL is not a **registered tax agent** and this information does not constitute tax advice, nor is it a substitute for instructions from the Australian Taxation Office (ATO). You should consider the appropriateness of this information, having regard to your individual circumstances. Australian taxation laws are complex and we recommend you seek taxation advice from a registered tax agent, or registered tax (financial) adviser, before making any decision based on the information contained in this Guide. The information in this Guide is given in good faith and has been prepared based on information that is believed to be accurate and reliable at the time of publication, no warranty of completeness or accuracy is given.

The purpose of this Guide

The primary purpose of this Guide is to help individual taxpayers to record the information from their AMMA statement into their *Individual Tax Return 2021*, including the *Tax return for individuals (supplementary section) 2021*. Although this Guide has not been prepared for non-individual taxpayers, a section on capital gains tax (CGT) discount rates has been provided at the end of this Guide to help those taxpayers complete their respective tax returns.

You should have received an AMMA statement for each of our Trust(s) you have invested in during the financial year ended on 30 June 2021. The AMMA statement provides information on

the attribution, distribution and cost-base adjustment relating to your investment during the financial year. It also provides details of the capital gain or loss realised from the sale of your holdings in the Trust (where relevant).

You should refer to your AMMA statement when completing your tax return. If capital gain amounts are disclosed on your AMMA statement, you may need to refer to the ATO publication *Personal Investors Guide to Capital Gains Tax 2021* for further guidance.

On your AMMA statement, we have indicated the amounts that you should include in your tax return. Each component of your attribution is explained in this Guide.

Your tax return and your AMMA statement

In your tax return, you must include income that has been attributed to you during the financial year ended 30 June 2021. This may not coincide with the actual cash distribution you have received during the same period.

In addition, special rules apply in relation to franking credits attached to Australian franked dividends and/or foreign income tax offsets in respect to foreign tax paid on foreign income and foreign capital gains.

Expenses that relate to earning your income may be tax deductible and may be claimed on your tax return.

Guide to completing your tax return:

- All amounts are expressed in Australian currency.
- To begin completing your individual tax return, you will need to obtain copies of the following ATO forms and publications:
 - *Tax return for individuals 2021*
 - *Individual tax return instructions 2021*
 - *Tax return for individuals (supplementary section) 2021*
 - *Individual tax return instructions supplement 2021, and*
 - *Guide to foreign income tax offset rules 2021.*
- The labels displayed in Part A of this Guide are taken from the *ATO Tax return for individuals (supplementary section) 2021*.
- If the amounts the Trust(s) attributed included capital gains or franking credits, you should also refer to these ATO publications:
 - *Guide to capital gains tax 2021 or the abridged version Personal investors guide to capital gains tax 2021 and*
 - *You and your shares 2021.*

If you have received income from other investments during the financial year, you will need to combine the information from those investments with the information we have provided.

Regulatory reporting – Foreign Residents

Please note:

- if you are a US citizen or resident, we are required to report your income to the Internal Revenue Service (IRS), the revenue service of the United States of America (US); and
- if you are a foreign resident (other than a US citizen or resident), we are required to report your income to your country's tax authorities via the ATO.

Your AMMA statement is divided into three parts:

Part A – Tax return information (supplementary section)

The amounts reported in Part A of the AMMA statement correspond to the description and labels on the *Tax return for individuals (supplementary section) 2021*. If you do not have income from other sources relevant to these tax return disclosures and labels, transfer the amounts from Part A of this Guide to the corresponding tax return description and label to complete your tax return.

If you are using MyTax 2021, the amounts shown in Part A of the AMMA statement should be entered in the 'Managed Funds' section of the form.

Please note that attributions from AMIT need to be included in the tax return for the year of attribution, not the year of receipt. This means income attributed by the AMIT for the year ended 30 June 2021 should be included in your 2021 tax return although you may not have physically received the cash related to the attribution.

Below is a brief explanation of each label disclosed in Part A of the AMMA statement:

Label 13U – Share of net income from trusts, less capital gains, foreign income and franked distributions

This amount is the sum of unfranked dividends, interest, other Australian income, non-concessional MIT income (NCMI), excluded from NCMI and Clean Building MIT (CBM) income attributed from your investment in the AMIT. It excludes the amount of capital gains, foreign income and franked distributions attributed to your investment in AMIT.

Any deductible expenses you may have incurred in relation to this income are entered at label 13Y.

Label 13C – Franked distributions from trusts

This amount is your share of franked dividends and franking credits attributed from your investment in AMIT. The information on franked dividends and franking credits may assist you in completing the *Application for refund of franking credits for individuals 2021* (if applicable).

Label 13Q – Share of franking credit from franked dividends

This amount includes your share of franking credits referable to the franked distributions disclosed at label 13C. Franking credits represent the credits for the tax that an Australian company has already paid on its earnings. Your entitlement to claim franking credits as a franking tax offset to reduce your Australian tax liability will be conditional upon you satisfying the 'holding period rule'.

For further information on the 'holding period rule' you should consult the ATO publication *You and your shares 2021*.

Label 13R – Share of credit for tax file number (TFN) amounts withheld from interest, dividends and unit trust distributions

This is the withholding tax amount that has been deducted from your share of distributions where you have not provided your TFN, or claimed an exemption to provide the TFN, for your investment in the AMIT. Tax is deducted at the top marginal tax rate.

Label 18H – Total current year capital gains

This amount is the sum of all capital gains received from Australian unit trusts and any capital gains arising from the sale of your units in the AMIT without applying the capital gains tax (CGT) discount. This amount also includes any foreign net capital gains and any foreign tax on foreign net capital gains (if applicable). The items making up this amount are detailed in 'Part B' and 'Capital gains and losses on the sale of holdings' of your AMMA statement.

Capital gains derived from other investments will also need to be taken into account when working out the amount to be disclosed at label 18H. For a detailed explanation on capital gains, please refer to the 'Capital Gains' section of this Guide.

Label 18A – Net capital gain

This amount is the net capital gain relating to both distributed capital gains, and realised capital gains from the disposal of your membership interests in the AMIT, after applying current year and/or prior year capital losses and the relevant CGT discount.

Capital gains and losses derived from other investments will also need to be taken into account when working out the amount disclosed at label 18A. The amount disclosed at label 18A will need to be adjusted to include these additional capital gains or losses. If there are current year and/or prior year capital losses, you are required to offset these capital losses against gross (ie undiscounted) capital gains before calculating the amount of discounted capital gains. The discount rate that has been applied to your discounted capital gains is located at

'Information for investors' of this Guide, with reference to your entity type on your AMMA statement.

Please refer to the ATO publications *Guide to capital gains tax 2021* and *Personal investors guide to capital gains tax 2021* for further information. We suggest that you seek professional advice from your tax adviser in relation to your capital gains obligations and any other assistance that you may require.

Label 19K – Foreign entities - CFC income

This amount is the income and gains of foreign companies to which you hold a direct or indirect controlling interest. For more information on Controlled Foreign Company (CFC) please refer to the ATO publication *Foreign income return form guide 2021*.

Label 20E – Assessable foreign source income

This amount includes assessable foreign dividends, foreign interest, and any other assessable foreign income (including foreign tax offsets on income not already shown) attributed from the AMIT's direct or indirect overseas investments. However, the amount excludes foreign net capital gains (which would be included at labels 18H and 18A).

If you derived assessable foreign income or losses from other sources, you may need to adjust the above amounts to include this additional foreign income and loss.

Please refer to the ATO publication *Individual tax return instructions supplement 2021* for further detailed instructions.

Label 20M – Other net foreign source income

This amount is your assessable foreign source income at label 20E reduced by your foreign income deductible expenses. If you have no foreign income deductible expenses, the amount at label 20M will be the same as label 20E.

Please refer to the ATO publication *Individual tax return instructions supplement 2021* for further detailed instructions.

Label 20O - Foreign income tax offset

This amount is your share of foreign income tax offset attached to the assessable foreign source income. The foreign income tax offset (FITO) represents the amount of foreign tax paid on foreign source income and foreign capital gains received from foreign investments. FITO on discounted foreign capital gains included in this label has been reduced by the discounting rate based on your entity type.

The amount of assessable foreign source income provided at label 20E are grossed up to include FITO. You are required to also show the FITO separately at this label.

If your FITO from all sources for the financial year is no more than \$1,000 you may claim this amount in full. Otherwise, if you are claiming more than \$1,000 you should refer to the ATO publication *Guide to foreign income tax offset rules 2021* to work out your FITO entitlement. In such situations, your actual FITO entitlement will depend on your individual circumstances, taking into account all of your foreign income and expenses.

Label 20F - Australian franking credits from a New Zealand franking company

This amount is the Australian franking credits distributed by New Zealand resident companies that had chosen to join the Australian imputation system and distribute assessable franked dividends. The franked dividend from the New Zealand franking company that paid the Australian franking credits is disclosed at label 20E.

To check your eligibility to claim the Australian franking credits from New Zealand companies please refer to the ATO publication *You and your shares 2021*.

Label 13A – Share of credit for foreign resident withholding amounts (excluding capital gains)

This is the amounts of tax withheld due to the imposition of non-resident withholding tax or managed investment trust withholding tax. The credits may also be in respect of Australian income you have received as a foreign resident or credits arising from tax withheld from your investment in the AMIT. The credits for foreign resident amounts withheld from income you received when you were a resident may be offset against your Australian tax liability from your taxable income.

Label 24V – Other income

This amount is the management fee rebate credited to your investment during the financial year. The amount has been applied to increase the number of units you hold in the AMIT, instead of increasing the amount of cash distributed from your investment in the AMIT.

Label 13Y – Other deductions relating to distributions

This is the amount of expenses deducted from your investment during the financial year. The amount has been applied to reduce the number of units you hold in the AMIT, instead of reducing the amount of cash distributed by the AMIT. Any resulting capital gain or loss from the sale of units in the AMIT has been included in label 18H and 18A.

Part B – Components of attribution

This section of the AMMA statement explains the components of your attribution from the AMIT's.

Australian income

Dividends - Unfranked

This amount is your share of unfranked dividends paid by an Australian company on which tax has not been paid. There is no franking credit attached unfranked dividends.

Dividends - Unfranked CFI

This amount is your share of unfranked CFI dividends paid by an Australian corporate tax entity that it declares to be Conduit Foreign Income (CFI). Non-residents of Australia are not required to pay Australian tax unfranked CFI dividends.

Interest – subject to non-resident WHT

This amount is your share of interest income on cash deposits and fixed interest securities.

Interest – not subject to non-resident WHT

This amount is your share of interest income on certain interest securities that is eligible for exemption from withholding tax under section 128F.

Other Australian Income

This amount is your share of Australian income that may include gains on the disposal of assets of a revenue nature such as fixed interest securities. Other income can also include rental income from direct or indirect property investments.

Non-concessional MIT income (NCMI)

This amount is your share of Managed Investment Trust (MIT) income from MIT cross staple arrangements, MIT trading trust, MIT agricultural or MIT residential housing.

Excluded from NCMI (ENCM)

This amount is your share of Managed Investment Trust (MIT) income excluded from NCMI due to approved economic infrastructure facility exception or has elected and applied transitional provisions.

Clean Building MIT (CBM) income

This amount is your share of income attributed to a Managed Investment Trust (MIT) that holds one or more energy efficient commercial buildings constructed on or after 1 July 2012.

Dividends – franked amount

This amount is your share of dividend income from an Australian company on which income tax has been paid. The dividend comes with franking credits.

Franking credits

The credit for tax that an Australian company has already paid on its earnings, before these earnings are paid to you.

Capital gains

Discounted capital gains

These are capital gains that are eligible for the CGT discount. The CGT discount is generally only available where the asset has been held for 12 months or more. The amount of discounted capital gain attributed and assessable for tax purposes is shown in the 'Attribution' column.

The discount rate applied in calculating your discounted capital gains is located in the 'Information for Investors' section of this Guide, with reference to your entity type.

For non-resident individual investors, please note until 8 May 2012, the CGT discount of 50% was available to non-resident individual investors who were subject to capital gains tax on taxable Australian property (TAP). For assets acquired after 8 May 2012, this discount is generally not available to non-resident individual investors. Further information is available at the ATO publication *Guide to capital gains tax 2021*.

Indexed capital gains

These gains have been calculated under indexation method and the entire amount is fully assessable. The indexation of the cost base is frozen as at 30 September 1999.

Other capital gains

These gains arise from the disposal of assets within 12 months of purchase. The entire amount of the gain is fully assessable.

TAP and NTAP capital gains

For Australian resident investors, the classification of capital gains between TAP and non-TAP (NTAP) can be disregarded for the purposes of completing your tax return.

Non-resident investors for Australian tax purposes are only subject to capital gains tax on assets classified as TAP assets. Accordingly, non-resident investors are not subject to withholding tax on capital gains arising from disposals of capital assets classified as NTAP assets.

AMIT CGT gross up amount

This is the amount required to gross up your TAP and NTAP discount gain to work out the gross discount capital gain. The amount can be used to gross up discount gain for loss offset purposes or to apply an alternative discount rate.

Foreign income

Foreign sourced income

Foreign income includes interest, dividends, revenue gains, foreign exchange gains or other income earned on investments held overseas. For Australian resident investors, the income you receive from an overseas source must be included in your tax return. Foreign capital gains are not included here, rather these amounts are disclosed at total and net capital gains (labels 18H and 18A).

Foreign income tax offset

Tax paid in a foreign country on foreign income.

Australian franking credits from a NZ Company

Franking credits arising from tax paid in Australia by a New Zealand company who has elected for the Australian imputation system to apply to the company. These dividends are included as part of your foreign sourced income.

Other non-assessable amounts

This refers to tax free amount, tax deferred amount, return of capital, net exempt income and non-assessable non-exempt (NANE) income that have been attributed to you. While these amounts are not assessable to you in the year ended 30 June 2021, these amounts may require an adjustment to the cost base of the units held in the AMIT.

Withholding Tax

TFN amounts withheld

This tax is withheld at the highest marginal tax rate when a Tax File Number (TFN) or a TFN exemption has not been provided to us.

Non-resident tax withheld

The tax withheld from Australian sourced income and capital gains TAP paid to non-resident investors.

AMIT cost base adjustments

This represents the difference between cash distributions and other entitlements from an AMIT to the amount of income attributed to you. The difference may be a positive amount or a negative amount, which effectively increases or reduces the cost base of your units in the AMIT.

AMIT cost base net amount - net increase

This occurs when the amount of cash distribution, other entitlements and tax offsets from an AMIT are less than the assessable and NANE amount attributed to you.

You should **increase** the cost base and reduced cost base of your units by the amount of AMIT cost base net amount – net increase.

AMIT cost base net amount – net reduction

This occurs when the amount of cash distribution, other entitlements and tax offsets from an AMIT are more than the assessable and NANE amount attributed to you.

You should **decrease** the cost base and reduced cost base of your units by the amount of AMIT cost base net amount - net decrease. A capital gain may also arise if the amount of AMIT cost base net amount – net decrease is greater than your original cost base of your units in the AMIT.

Capital gains and losses on the sale of holdings

The 'Realised capital gains/losses – detail' report provides additional information on the capital gains and losses realised from the sale and/or redemption of your units in the AMIT during the financial year. This capital gains and losses information is summarised and disclosed at 'Capital gain/loss on the sale of holdings', Part B of the AMMA statement. In addition, these capital gains and losses have been added to the amount of capital gains distributed by the AMIT, and this total is disclosed as total capital gains at label 18A in Part A of the AMMA statement. Should you have capital gains or losses from other sources, or prior year carried forward capital losses, you will need to include these additional capital gains or losses when determining your overall CGT position.

Other information for investors

Capital gains tax discount rates

The table below provides the CGT discount rates used to calculate the amount of discounted capital gains according to the entity type listed on your AMMA statement.

Entity	Discount rate %
Company	0.00
Individual	50.00
Partnership ¹	50.00
Superannuation fund	33.33
Trust	50.00

1 This assumes the partner of the partnership is an individual and therefore is entitled to the 50% CGT discount.

