

## FAQ - Zero rating of GST (effective June 1, 2018)

### 1) Which policies will be affected?

With effect from 1 June 2018, the GST portion in applicable policies will be zero rated.

GST is incurred for the following:

- GST is not factored into the Investment-linked (IL) or Universal Life (UL) policy premium, but it is deducted from the Account Value as tax paid on certain service fees and charges. What this means is lesser units/value will be deducted from Account Value with the implementation of zero rated GST effective June 1.
- For ordinary life policies, the GST is factored into the non-life insurance premiums of the policies (including non-life riders such as accidental benefit riders/ medical & health insurance/ certain critical illness and TPD insurance. In this instance, the premium amount will be revised to reflect zero rated GST.

### 2) How will the new premium amount be communicated?

We will be sending out SMSes to selected policyholders whose premiums will be affected, and who are not enrolled for credit/debit card or FPX automated billing and policies are inforce. Please ensure that mobile phone numbers are up-to-date. Information on the new premium amount will also be available in the Customer web portal (eLITE).

### 3) What do I need to do if my premium amount is affected?

- a) For payments via Standing Instruction: please contact your Bank to update the payment amount.
- b) For payments via Autobilling (Credit Card/Debit Card/FPX/Autodebit): no action is required, we will collect the updated premium amount
- c) For payments via other methods: please ensure that you are paying the correct, updated amount.

### 4) What is the GST treatment during this transitional period prior to June 1?

As a gesture of goodwill and customer centricity, the Company is prepared to reimburse the GST charges for new business issued in May 2018. Refunds will be via Direct Credit for ordinary life policies, OR via account value adjustment for Investment-linked policies and Universal Life policies.

New Business issued after 1 June 2018 will no longer incur GST.

### 5) Premium refunds, roll-backs, policies cancelled within the free-look period:

GST will not be refunded if already booked in prior to 1 June 2018. The exception is for Cancellation during the Free Look period whereby the GST portion will be refunded via Direct Credit to the customer's bank account, with other amounts due; as per the policy contract.

### 6) Premiums paid in advance

For payments paid in advance, or applied to monthly/quarterly/halfyearly or annual frequency mode, the GST portion will not be prorated and refunded.

### 7) Who can customers contact if they need more information on the zero rated GST and how it impacts their policies?

Customers can contact our customer service hotline at 1300 13 2323 and our customer service representatives would be happy to assist on customers' queries on GST and GST related matters on customers' policies with Manulife. In addition, customers may also visit Manulife website or login to eLITE customer portal to obtain information on the zero rated GST and how it impacts their policies with us.