

Annual Employee Share Scheme Tax Statements

FAQs

July 2015

What's happening?

NAB Employees who hold employee equity (rights, options or shares) will receive an email from Computershare advising them that they can access their Annual Employee Share Scheme Tax Statement(s) (Tax Statement) from 14 July 2015 by logging on to the NAB Employee Online Website at www.computershare.com/employee/nab.

The Tax Statement(s) may provide important information for employees in completing their 2015 Tax return.

Why would I have an Annual Employee Share Scheme Tax Statement from Computershare?

NAB is required to report to both employees and the Australian Tax Office (ATO) on any employee shares, options and/or rights that have been provided to NAB employees and that may be subject to income tax in the 2015 tax year.

You will receive a Tax Statement from Computershare if you have received equity from NAB which may have had a taxing point in the 2015 tax year (please note the equity may have been received in prior years but has a potential taxing point in the 2015 tax year and is therefore included in your 2015 Annual Employee Share Scheme Tax Statement).

Further details are contained in the NAB 2015 Australian Summary Tax Guides.

Why have I received more than one Tax Statement?

You will receive a separate Tax Statement for each different type of equity allocated to you which may be taxable in the 2015 tax year. For example, you may receive one for Employee Share Offer, Recognition, Commencement, STI Deferral and Performance Rights and so forth depending on your holdings.

If you receive more than one Tax Statement, you may refer to the Annual Tax Statement Summary page to determine the total assessable value which may assist you when completing your 2015 Tax return. If no Annual Tax Statement Summary page has been provided, you will need to add up the amounts on each Tax Statement to determine the total assessable value and the amounts to be included in each relevant label in your 2015 tax return.

Do the Tax Statements contain everything I need to complete my Tax Return in respect of my employee NAB shares?

No. The Tax Statement(s) do not contain any taxable amounts in respect of dividends paid on your NAB shares (refer to your Dividend Statements) or any taxable amounts arising from Entitlement Offers you may have received as part of NAB's recent capital raising. Separate tax guidance will be provided in the coming weeks on the tax implications of the Entitlement Offers received in respect of your employee shares.

If you have sold any employee NAB shares during the 2015 year you will also need to consider any potential capital gains/losses realised on the sale and whether any amount from the sale needs to be included or disclosed in your 2015 tax return.

Do I need to include my equity holdings allocated before 1 July 2009 (pre 1 July 2009 equity) in my 2015 Australian Tax return?

The tax law relating to employee equity changed with effect from 1 July 2009. The taxing point for pre 1 July 2009 equity depends on whether you made an election to be taxed upfront. NAB does not have details of your personal tax elections.

NAB must report on all pre 1 July 2009 equity which **may** have had a taxing point in the 2015 tax year (e.g. because the restriction end date occurred or you exercised options or rights during the year), even though you may have already paid tax on that equity because you elected to pay tax upfront in a given year (i.e. completed the tax election form and if applicable, claimed the \$1,000 tax exemption).

If you have already been subject to income tax in relation to a particular employee equity listed in the "Assessable discount at deferred taxing point on shares acquired pre 1 July 2009", you are not required to include this equity again in your 2015 Australian Tax return, even though it has been reported on your Tax Statement.

Accordingly, for pre 1 July 2009 equity, there may be situations where the amounts on your tax return are different from those on your Tax Statement. You should review the treatment that you adopted in previous tax returns to determine whether you have already been subject to tax in respect of shares acquired before 1 July 2009. We also recommend that you seek independent tax advice to clarify the tax implications for your individual circumstances.

Do I need to include taxable amounts for equity allocated after 1 July 2009 (post 1 July 2009 equity) in my 2015 Tax return?

Yes, the discount on the equity is considered assessable income to you and, based on the conditions of each specific offer, you are required to include the assessable value in your Tax return in the year in which the deferred taxing point occurs.

Why do I have a withholding tax amount?

If you did not disclose your Tax File Number (TFN) to either NAB or Computershare Plan Managers by 30 June 2015, a 'withholding tax' applies to post 1 July 2009 equity, which is subject to income tax in the 2015 income year. The rate of withholding tax for 2015 is 49% (that is, the highest individual marginal tax rate, including the Temporary Budget Repair Levy, plus the Medicare levy).

This tax will initially be paid by NAB to the ATO, however employees who have not provided a TFN will have to repay this tax to NAB in July or August. NAB will contact you should this situation occur to discuss a repayment plan. You may be entitled to claim a credit from the ATO for any TFN withholding tax that has been paid by NAB. The credit would not be available until you lodge your tax return, which may not be until after NAB requires you to repay the tax.

Why have I been charged incidental costs from Computershare?

The incidental costs charged by Computershare relate to any sale, transfer or exercise of equity (e.g. brokerage fees) which have occurred in the 2015 tax year.

Why does the Tax Statement not report all of my equity holdings?

The Tax Statement will only provide employees with detail of their equity holdings which may be subject to tax in the 2015 tax year. Should you wish to view your entire holdings, see information below under 'where can I view all my equity holdings?'

A Tax Statement will only be provided if you had a taxing point during the 2015 tax year.

Where can I view all my equity holdings?

You can view your NAB employee equity holdings online at the NAB Employee Online Website: www.computershare.com/employee/au/nab

You will require your SRN and PIN. Should you have misplaced these details, you can contact Computershare at nabshareplans@computershare.com.au or phone, within Australia 1300 556 324, New Zealand, Hong Kong, Singapore, USA +800 3386 1053 and all other callers +61 3 9415 4298.

If you require any further information or guidance in relation to these taxation issues, please refer to NAB's 2015 Summary Tax Guides, the Individual tax return instructions 2015, the Individual tax return instructions supplement 2015 or consult your tax adviser.