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# Schedule 12 – Tax table for superannuation lump sums

This schedule applied to payments made from 1 July 2024 to 30 June 2025.

**Last updated** 17 June 2024

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## Using this schedule

**This schedule applies to payments made from 1 July 2024.**

This withholding schedule is made by the Commissioner of Taxation in accordance with sections 15-25 and 15-30 of Schedule 1 to the *Taxation Administration Act 1953* (TAA). It applies to withholding payments covered by paragraph 12-85(a) of Schedule 1 to the TAA.

Use this schedule if you make a super lump sum payment to an individual.

This schedule also provides information on the withholding requirements when an untaxed element of super interest is rolled over.

## Super lump sums

A super lump sum payment includes a:

- lump sum member benefit paid to an individual where a condition of release has been satisfied – for example, retirement, terminal medical condition, severe financial hardship, compassionate grounds
- lump sum death benefit paid to an individual following the death of the member or account holder
- commutation of a super income stream (part or all of a super income stream is exchanged for a lump sum).

A super lump sum may be paid from a super fund, approved deposit fund (ADF) or a retirement savings account (RSA).

## Components of a super lump sum

Before you can work out the withholding amount, you must calculate the components of the super lump sum.

A super lump sum may have 2 components. A:

- tax-free component
- taxable component which can include an element
  - taxed in the fund (taxed element)
  - untaxed in the fund (untaxed element).

You **do not** withhold from the tax-free component.

## Working out the withholding amount

You must calculate the amount to withhold by applying the rates set out in [Table A](#) if your payee:

- is an Australian resident

- receives a taxable component of a super lump sum
- has provided you with their tax file number (TFN).

These rates include the Medicare levy of 2%.

If the payment is to be made to a foreign resident, you will need to check if there is a tax treaty with their country of residence. The full list of our tax treaties is maintained by Treasury and can be found in the [Australian Tax Treaties](#) table. If, because of the treaty, the super lump sum is assessable only in the other country, then no withholding is required.

If a foreign resident's super lump sum is assessable in Australia, you are required to withhold from the payment. Adjust the rates set out in [Table A](#) to exclude the Medicare levy of 2%.

Different withholding rates apply for temporary residents who request a departing Australia superannuation payment.

For more information, see:

- [Australian Tax Treaties](#)
- Departing Australia superannuation payment.

## **Payments not subject to PAYG withholding**

The following super lump sums are **not** subject to PAYG withholding:

- a payment made to a person who is suffering from a [terminal medical condition](#)
- a payment made to a [dependant](#) after the death of the member or account holder
- an amount paid to the trustee of a deceased estate after the death of the member.

## **When a TFN has not been provided**

Different withholding rates apply where the payee of the super lump sum has not provided you with their TFN before the payment is made.

### **Paid to an Australian resident**

- Under 60 years of age
  - taxable component (taxed element and untaxed element)

- withhold 47% (ignoring cents)
- 60 years of age or over
  - taxable component
    - taxed element – no amount is required to be withheld
    - untaxed element – withhold 47% (ignoring any cents).

## Paid to a foreign resident

Check if there is a tax treaty with the payee's country of residence. If the super lump sum is assessable in the other country, no withholding is required.

If the super lump sum is assessable in Australia, use the following withholding rates:

- Under 60 years of age
  - taxable component (taxed element and untaxed element)
    - withhold 45% (ignoring any cents)
- 60 years of age or over
  - taxable component
    - taxed element – no amount is required to be withheld
    - untaxed element – withhold 45% (ignoring any cents).

Do not:

- allow for any tax offsets or Medicare levy adjustments
- withhold any amount for study and training support loans.

For more information, see [What are tax treaties?](#)

## Rollovers

If the person entitled to receive the super lump sum asks you to roll over their benefit, you are generally not required to withhold from any of the rolled-over amount.

If the rollover benefit consists of a taxable component – untaxed element that exceeds the [untaxed plan cap](#) you are required to withhold at the following rates:

- amount of the untaxed element up to the untaxed plan cap – no amount required to be withheld
- amount of the untaxed element above the untaxed plan cap – withhold 47%.

A super lump sum death benefit cannot be rolled over – whether paid to dependants or non-dependants.

### Example: rollover contains an untaxed element

Tom asks his fund to roll over his super interest of \$1.820 million which consists wholly of a taxable component - untaxed element. The untaxed plan cap amount for 2024–25 is \$1.780 million.

These are the amounts required to be withheld:

- up to the untaxed plan cap = \$1,780,000 (no withholding required)
- above the untaxed plan cap = \$40,000 (\$1,820,000 – \$1,780,000)
- from \$40,000 = \$18,800 (\$40,000 × 47%).

The net rollover of \$1,801,200 (\$1,820,000 – \$18,800) is required to be reported to the receiving fund within 3 days to meet the SuperStream data and payments standard. You are also required to provide a statement to the member with 30 days of the rollover.

For more information, see:

- [SuperStream](#)
- [Untaxed plan cap](#).

## Withholding rates for super lump sums

**Table A: Withholding rates for super lump sums**

| Type of payment and tax component                                      | Age of person at the date the payment is received | Amount subject to PAYG withholding                | Rate of withholding |
|--|---|---|---------------------|
| <b>Member benefit – taxed element of the taxable component</b>         | Under <u>preservation age</u>                     | Whole amount                                      | 22%                 |
|  | 60 years and above                                | Whole amount                                      | Nil                 |
| <b>Member benefit – untaxed element of the taxable component</b>       | Under preservation age                            | Amount up to untaxed plan cap                     | 32%                 |
|  |   | Amount above untaxed plan cap                     | 47%                 |
|  | 60 years and above                                | Amount up to untaxed plan cap                     | 17%                 |
|  |   | Amount above untaxed plan cap                     | 47%                 |
|  |   |   |                     |
| <b>Member benefit – total of preserved benefits is less than \$200</b> | Any age   | Nil – amount is non-assessable, non-exempt income | n/a                 |
| <b>Member benefit – terminal medical</b>                               | Any age   | Nil – amount is non-assessable,                   | n/a                 |

|   |         |   |     |
|---|---------|---|-----|
| <u>condition</u><br><b>payment</b>  |         | non-exempt<br>income  |     |
| <b>Death<br/>benefit<br/>paid to a<br/><u>dependant</u> –<br/>taxed and<br/>untaxed<br/>elements<br/>of the<br/>taxable<br/>component</b> | Any age | Nil – amount<br>is<br>non-<br>assessable,<br>non-exempt<br>income | n/a |
| <b>Death<br/>benefit<br/>paid to a<br/>non-<br/>dependant<br/>– taxed<br/>element of<br/>the taxable<br/>component</b>                    | Any age | Whole<br>amount   | 17% |
| <b>Death<br/>benefit<br/>paid to a<br/>non-<br/>dependant<br/>– untaxed<br/>element of<br/>the taxable<br/>component</b>                  | Any age | Whole<br>amount   | 32% |
| <b>Death<br/>benefit<br/>paid to the<br/>trustee of<br/>the<br/>deceased<br/>estate</b>   | Any age | None  | Nil |

## Additional information

### Untaxed plan cap

For the 2024–25 income year, the untaxed plan cap is \$1,780,000 and is indexed annually. For other years, visit [Key superannuation rates and thresholds](#).

### Lump sum less than \$200

There is no withholding required from the whole amount if it is paid by a regulated super fund, complying ADF or RSA provider as a super lump sum and it is the payee's entire benefit.

### Terminal medical condition

A terminal medical condition exists if:

- 2 registered medical practitioners have certified, jointly or separately, that the member suffers from an illness, or has incurred an injury, that is likely to result in the member's death within 24 months of the date of certification
- at least one of the registered medical practitioners is a specialist practicing in an area related to the member's illness or injury
- the certification period has not ended for each of the certificates.

The certification period is 24 months from the date of certification.

### Death benefit dependant

A death benefit dependant for taxation purposes includes:

- spouse of the deceased
- child of the deceased under 18 years old
- a person who had an interdependency relationship with the deceased
- a person who was a dependant of the deceased just before the latter died
- any individual who is paid a lump sum death benefit if the deceased died in the line of duty as a member of the defence force, a member of the Australian Federal Police or the police force of a state or territory, or a protective service officer (as defined in the *Australian Federal Police Act 1979*).

## **Spouse of the deceased**

A spouse of the deceased includes another person who:

- was in a relationship with the deceased that was registered under a law of a prescribed state or territory
- lived with the deceased on a genuine domestic basis in a relationship as a couple, although not legally married.

## **Child of the deceased**

A child of the deceased includes:

- an adopted child, stepchild or ex-nuptial child
- a child of the deceased's spouse
- a child of the deceased within the meaning defined in the *Family Law Act 1975* (for example, somebody who is considered to be a child of a person under a state or territory court order giving effect to a surrogacy agreement).

## **Interdependency relationship**

An interdependency relationship includes:

- a close personal relationship between two people who live together, where one or both provides for the financial and domestic support and personal care of the other
- a close personal relationship between two people who live together but do not satisfy one or more of the requirements mentioned in the previous dot point due to either or both of them suffering from a physical, intellectual or psychiatric disability.

For further information on interdependency relationships and before accepting that a person is financially dependent, refer to interdependency relationship.

## **Rounding of withholding amounts**

Withholding amounts calculated by applying this schedule are rounded to the nearest dollar. Results of 50 cents or higher are rounded upwards. If a TFN is not provided, ignore cents when calculating withholding amounts.

## Example: super lump sum made by a super provider from an untaxed element.

Chloe is 62 years of age and a member of AAFund super fund. She has decided to retire and take some of her super as a lump sum. As Chloe is over 60 years of age, she is over the preservation age.

According to her entitlements, Chloe will receive a super lump sum of \$300,000 from AAFund. The super lump sum has a tax-free component of \$30,000 and a taxable component of \$270,000. Chloe has previously provided her TFN to AAFund.

AAFund does not withhold from the tax-free component of \$30,000 but must withhold an amount from the taxable component of \$270,000. The taxable component of the super lump sum paid by AAFund comprises of a taxed element of \$190,000 and untaxed element of \$80,000.

Amount to withhold:

1. Amount up to [untaxed plan cap](#) = \$1,780,000 (2024–25 income year cap amount)
2. Super lump sum taxable component = \$270,000 (\$300,000 – \$30,000)
3. Untaxed element of taxable component = \$80,000 (\$270,000 – \$190,000)
4. Amount to withhold from \$300,000 = \$13,600 (17% of \$80,000)

Note: The [untaxed plan cap](#) is indexed annually.

## Preservation age

The withholding amount varies depending on whether the payee has reached their preservation age when the payment is made.

Preservation age is determined using your payee's date of birth. For example, if a member was born on 1 October 1964, they reach their preservation age of 60 on 1 October 2024.

The table below outlines the transitional period where the preservation age increased progressively from 55 to 60. As the transitional period has been completed, for the 2024–25 and future income years the preservation age is 60 for all payees born after 30 June 1964. For those payees born before that date, they have already reached their preservation age.

### Preservation age

| Date of birth      | Preservation age |
|--------------------|------------------|
| Before 1/7/1960    | 55               |
| 1/7/1960–30/6/1961 | 56               |
| 1/7/1961–30/6/1962 | 57               |
| 1/7/1962–30/6/1963 | 58               |
| 1/7/1963–30/6/1964 | 59               |
| After 30/6/1964    | 60               |

### Payment summaries

You must provide a PAYG payment summary – superannuation lump sum to the recipient of the super lump sum within **14 days** of making a lump sum payment.

Payment summaries can also be printed using software that conforms to ATO reporting specifications.

For information and reporting specifications, visit [Software developers](#) ↗.

### PAYG withholding publications

You can access all PAYG withholding tax tables and other PAYG withholding publications at:

- Tax tables
- PAYG withholding.

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