


CR 2001/14A - Income tax: Approved Early Retirement Scheme for Yallourn Energy Pty Ltd

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Addendum

Income tax: Approved Early Retirement Scheme for Yallourn Energy Pty Ltd

This Addendum amends Class Ruling CR 2001/14 as follows:

At paragraph 11, omit the paragraph and substitute with:

11. The following details of the arrangement have been obtained from Yallourn Energy Pty Ltd by correspondence dated 9 April 2001 and 13 September 2001 and in telephone conversations with the company on 11 April 2001 and 13 September 2001.

At paragraph 21, omit the paragraph and substitute with:

21. The Voluntary Separation Package consists of:

- two (2) weeks salary for every completed year of continuous service with the SECV, Generation Victoria and Yallourn Energy; plus
- a lump sum of:
 - \$30 000 - for employees who depart prior to 30 September 2001; or
 - \$20 000 - for employees who depart thereafter up to 31 August 2002.

Note: the lump sum available within the scheme provides for higher incentives for early departures. The objective is to stimulate a gradual reduction in the workforce over the life of the scheme, in line with proposed organisational change.

At paragraph 48, omit the paragraph and substitute with:

48. For the year ended 30 June 2001, the tax-free amount is limited to \$5062 plus \$2531 for each whole year of completed employment service to which the approved early retirement scheme payment relates. For the year ending 30 June 2002, the tax-free amount is limited to \$5 295 plus \$2 648 for each whole year of completed employment service to which the approved early retirement scheme payment relates. Please note that 6 months, 8 months or even 11 months do not count as a whole year for the purposes of this

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calculation. The \$5 295 and \$2 648 limits will be indexed to rise in the following year in line with the increase in average weekly ordinary time earnings.

At paragraph 52, omit the paragraph and substitute with:

52. The following payments qualify as an approved early retirement scheme payment and are exempt from tax within the limits described above:

- (a) two (2) weeks salary for every completed year of continuous service with the SECV, Generation Victoria and Yallourn Energy; plus
- (b) a lump sum of:
 - \$30 000 - for employees who depart prior to 30 September 2001; or
 - \$20 000 - for employees who depart thereafter up to 31 August 2002.

Commissioner of Taxation

26 September 2001

ATO references:

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