

TD 1999/36W - Income tax: should salary continuance benefits, paid to a member of a superannuation fund as a result of having a temporary disability, be reported for Reasonable Benefit Limits (RBL) purposes?

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⚠ This document has changed over time. This is a consolidated version of the ruling which was published on *6 March 2019*



Notice of Withdrawal

Taxation Determination

Income tax: should salary continuance benefits, paid to a member of a superannuation fund as a result of having a temporary disability, be reported for Reasonable Benefit Limits (RBL) purposes?

Taxation Determination TD 1999/36 is withdrawn with effect from today.

1. TD 1999/36 states that salary continuance benefits are regarded as 'replacement of income' benefits rather than 'retirement income benefits', thus are treated like salary and wages for income tax purposes and not subject to RBLs for the duration of the temporary disability. They are not required to be reported for RBL purposes.
2. Former Division 14 of the *Income Tax Assessment Act 1936* (ITAA 1936) provided for a system of RBLs applicable to certain eligible termination payments (ETPs), superannuation pensions and annuities as well as, *inter alia*, the Commissioner's power to determine the extent to which the ETP, pension or annuity exceeded the recipient's RBLs.
3. Division 14 of the ITAA 1936 was repealed by the *Superannuation Legislation Amendment (Simplification) Act 2007*, which came into effect on 1 July 2007. RBLs are no longer used to calculate taxation of superannuation amounts and no indexed RBLs have been provided since the 2006–07 income year.
4. TD 1999/36 has no application for the 2007–08 income year and later years, and is therefore withdrawn.

Commissioner of Taxation

6 March 2019

ATO references

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