



TD 2005/21 - Income tax: what are the thresholds and limits for superannuation amounts in 2005-2006?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *8 June 2005*



Taxation Determination

Income tax: what are the thresholds and limits for superannuation amounts in 2005-2006?

Preamble

*The number, subject heading, date of effect and paragraph 1 to paragraph 7 of this document are a 'public ruling' for the purposes of Part IVA of the **Taxation Administration Act 1953** and are legally binding on the Commissioner.*

1. In accordance with the *Income Tax Assessment Act 1936* (ITAA 1936), there are a number of thresholds and limits that require indexation each year by movements in full-time adult average weekly ordinary time earnings (AWOTE).
2. The AWOTE amount is an estimate by the Australian Statistician of the full-time adult average weekly ordinary time earnings for persons in Australia. The estimate for February 2005 was \$992.90 and the estimate for February 2004 was \$947.80. This produces an indexation factor of 1.048.
3. This factor is applied against the 2004-2005 thresholds and limits. The new thresholds and limits that apply from 1 July 2005 are set out in the following paragraphs.
4. For the purposes of subsection 27A(20) of the ITAA 1936, the **tax free amounts** of a bona fide redundancy payment or of an approved early retirement scheme payment are:
 - **\$6,491** (formerly \$6,194); and
 - **\$3,246** (formerly \$3,097).
5. For the purposes of subsections 82AAC(2B) and 82AAT(2B) of the ITAA 1936, the **age based deduction limits** for superannuation contributions by employers and eligible persons are:
 - **\$14,603** (formerly \$13,934);
 - **\$40,560** (formerly \$38,702); and
 - **\$100,587** (formerly \$95,980).
6. For the purposes of subsection 140ZD(3) of the ITAA 1936, the **RBL limits** are:
 - Lump Sum RBL **\$648,946** (formerly \$619,223); and
 - Pension RBL **\$1,297,886** (formerly \$1,238,440).

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7. The **upper limit for determining the residual amount** for the purposes of section 159SG of the ITAA 1936, that is the threshold on the post-June 1983 component of an eligible termination payment is:

- **\$129,751** (formerly \$123,808).

Date of effect

8. This Determination applies to the 2005-2006 income year.

Commissioner of Taxation

8 June 2005

Previous draft:

Not previously issued as a draft

- elective deduction limit
- lump sum reasonable benefit limit
- pension reasonable benefit limit

Previous Rulings/Determinations:

TD 96/24; TD 97/11; TD 98/12;
TD 1999/12; TD 2000/23; TD 2001/15;
TD 2002/11; TD 2003/21; TD 2004/18

Legislative references:

- TAA 1953 Pt IVAAA
- ITAA 1936 27A(20)
- ITAA 1936 82AAC(2B)
- ITAA 1936 82AAT(2B)
- ITAA 1936 140ZD(3)
- ITAA 1936 159SG

Subject references:

- age based deduction limits
- approved early retirement scheme
- bona fide redundancy

ATO references

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