# *TD 93/17 - Income tax: is a redundancy payment from a redundancy trust, established based on the Building Industry Agreement of 1 October 1987, considered to be a bona fide redundancy payment under section 27F of the Income Tax Assessment Act 1936 ?*

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This document has changed over time. This is a consolidated version of the ruling which was published on *28 January 1993*

Generated on: 26 November 2026, 07:58:41 AM

**This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part . Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).**

# Taxation Determination

## Income tax: is a redundancy payment from a redundancy trust, established based on the Building Industry Agreement of 1 October 1987, considered to be a bona fide redundancy payment under section 27F of the *Income Tax Assessment Act 1936*?

1. A redundancy payment made by a redundancy trust is to provide a cash payment to an employee who is being made redundant, retires, becomes unemployed or withdraws from the industry etc.

2. A redundancy payment made by a redundancy trust does not satisfy section 27F based on the following reasons:

(a) it is not paid to the recipient for being made bona fide redundant, or

(b) in the case that it is paid for being made bona fide redundant, the payment does not exceed the amount of an eligible termination payment that could reasonably be expected to have been made, if the recipient voluntarily retired from employment at the time of termination.

3. In consequence, the concessional treatment of tax available under subsection 27C(2) cannot apply by reason of section 27F.

**Commissioner of Taxation**
28/1/93

FOI INDEX DETAIL: Reference No. I 1213987 Previously issued as Draft TD 92/D210

Related Rulings: IT2286

Subject Ref: bona fide redundancy payment; concessional component; eligible termination payment; redundancy payment

Legislative Ref: ITAA 27F: ITAA 27C(2)

ATO Ref: BANTD6

ISSN 1038 - 8982