

# South Australian *Return to Work Act 2014* – lump sum payments

This fact sheet provides guidance about lump sum payments you may receive under the *Return to Work Act 2014* (SA) if you have been incapacitated due to a workplace injury and are able to return to work.

## Payments covered in this fact sheet

- **Retraining allowance** – a lump sum contribution towards your retraining expenses. The payment is made by your employer instead of providing you with services to assist in your training or retraining for suitable employment.
- **Section 54 redemption payments for liabilities associated with medical services** – a capital payment made as a result of an agreement you make with the Return to Work Corporation of South Australia (or a self-insurer delegated the powers and directions of the same) to redeem your employer's liability to compensate you for medical services.
- **Section 56 lump sum payments for permanent impairment (economic loss)** – a lump sum payment to compensate you for loss of future earning capacity.
- **Section 58 lump sum payments for permanent impairment (non-economic loss)** – a lump sum payment to compensate you for non-economic loss such as pain and suffering.

## Are the payments you receive taxable?

No. If you receive one of these payments, the payment is not taxable.

You do not need to show the payment in your tax return.

## Payments that are not covered in this fact sheet

This fact sheet does not apply to weekly payments redeemed in respect of your incapacity as a lump sum under the *Return to Work Act 2014* (SA).

These are addressed in Taxation Determination [TD 2016/18](#) *Income tax: is a redemption payment received by a worker under the Return to Work Act 2014 (SA) assessable income of the worker?*

## More information

For more information, see:

- ▶ Taxation Ruling [TR 95/35](#) *Income tax: capital gains: treatment of compensation receipts*
- ▶ Taxation Determination [TD 2016/18](#) *Income tax: is a redemption payment received by a worker under the Return to Work Act 2014 (SA) assessable income of the worker?*

If you wish to discuss your circumstances, please contact us on **13 28 61** between 8:00 am and 6:00 pm, Monday to Friday.

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If you make an honest mistake trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

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