

TD 14 - Capital Gains: Will payments made under Accident & Health Assurance policies be exempt from CGT?

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⚠ This ruling contains references to repealed provisions, some of which may have been rewritten. The ruling still has effect. Paragraph 32 in [TR 2006/10](#) provides further guidance on the status and binding effect of public rulings where the law has been repealed or repealed and rewritten. The legislative references at the end of the ruling indicate the repealed provisions and, where applicable, the rewritten provisions.

⚠ This document has changed over time. This is a consolidated version of the ruling which was published on *29 November 2006*

CGT Cell Determinations do not have the force of law, but can be relied upon as being the considered view of the ATO. Unless otherwise stated, the view expressed may be applied to transactions entered into both before and after the date of issue of the Determination.

CGT Determination Number 14

Capital Gains: Will payments made under Accident & Health Assurance policies be exempt from CGT?

Determination

Payments made to the holders of such policies in respect of personal injuries to themselves are regarded as "compensation" and will not give rise to either capital gains or losses (subsection 160ZB(1)).

2. This treatment will also apply to payments made to a trustee for a taxpayer who has been injured.

Note: Workers Compensation payments may be taxed as ordinary income.

COMMISSIONER OF TAXATION

10 September 1991

FOI INDEX DETAIL: Reference No. CGT 14

Subject Ref: Exemption

Accident & Health Assurance policies

Compensation payments

Legislative Ref: 160ZB(1)

ATO Ref: N.O. 12.86/9579-2