



# ***CR 2005/116 - Income tax: deductibility of employer contributions to the Australian Construction Industry Redundancy Trust***

 This cover sheet is provided for information only. It does not form part of *CR 2005/116 - Income tax: deductibility of employer contributions to the Australian Construction Industry Redundancy Trust*

 This document has changed over time. This is a consolidated version of the ruling which was published on *1 January 2000*



## Class Ruling

### Income tax: deductibility of employer contributions to the Australian Construction Industry Redundancy Trust

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#### **Preamble**

*The number, subject heading, **What this Class Ruling is about** (including **Tax law(s)**, **Class of persons** and **Qualifications** sections), **Date of effect**, **Withdrawal**, **Arrangement** and **Ruling** parts of this document are a 'public ruling' in terms of Part IVAAA of the **Taxation Administration Act 1953**. CR 2001/1 explains Class Rulings and Taxation Rulings TR 92/1 and TR 97/16 together explain when a Ruling is a 'public ruling' and how it is binding on the Commissioner.*

#### **What this Class Ruling is about**

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1. This Ruling sets out the Commissioner's opinion on the way in which the 'tax law(s)' identified below apply to the defined class of persons, who take part in the arrangement to which this Ruling relates.

#### **Tax law(s)**

2. The tax laws dealt within this Ruling are:

- section 8-1 of the *Income Tax Assessment Act 1997* (ITAA 1997);
- section 6-5 of the ITAA 1997;
- section 27A of the *Income Tax Assessment Act 1936* (ITAA 1936);
- section 27B of the ITAA 1936;
- section 27C of the ITAA 1936; and
- section 27F of the ITAA 1936.

#### **Class of persons**

3. The class of persons to which this Ruling applies is all employers who make contributions to the Australian Construction Industry Redundancy Trust (ACIRT) on behalf of workers who are members (members) of ACIRT.

## Qualifications

4. The Commissioner makes this Ruling based on the precise arrangement identified in this Ruling.
5. The class of persons defined in this Ruling may rely on its contents provided the arrangement actually carried out is carried out in accordance with the arrangement described in paragraphs 10 to 23.
6. If the arrangement actually carried out is materially different from the arrangement that is described in this Ruling, then:
  - this Ruling has no binding effect on the Commissioner because the arrangement entered into is not the arrangement on which the Commissioner has ruled; and
  - this Ruling may be withdrawn or modified.
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## Date of effect

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8. This Ruling applies from 1 July 2000 until it is withdrawn. However, this Ruling does not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of issue of this Ruling (see paragraphs 21 and 22 of Taxation Ruling TR 92/20). Furthermore this Ruling only applies to the extent that:
  - it is not later withdrawn by notice in the *Gazette*;
  - it is not taken to be withdrawn by an inconsistent later public ruling; or
  - the relevant tax laws are not amended.

## Withdrawal

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9. This Ruling is withdrawn and ceases to have effect after 30 June 2006. However, the Ruling continues to apply after its withdrawal in respect of the tax laws ruled upon, to all persons within the specified class who entered into the specific arrangement during the term of the Ruling, subject to there being no change in the arrangement or in the person's involvement in the arrangement.

## Arrangement

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10. The arrangement that is the subject of this Ruling is described below. This description is based on the following documents. These documents, or relevant parts of them, as the case may be, form and are part of and are to be read with the description. The relevant documents or parts of documents incorporated into this description of the arrangement are:

- Class Ruling application from Phillips Fox dated 30 July 2004;
- ACIRT Trust Deed (Trust Deed);
- a typical Deed of Adherence;
- a typical Enterprise Bargaining Agreement;
- a copy of clause 16.2.7 of the National Building and Construction Industry Award; and
- correspondence from the applicant for the Ruling to the Australian Taxation Office (ATO).

11. ACIRT is an Australian resident trust fund governed by a trust deed, which established the fund in Australia. The central management and control of the fund is in Australia.

12. The trustee of ACIRT is ACIRT Pty Ltd ACN 062330170 (the trustee), an Australian resident company.

13. The trustee has appointed an administrator of ACIRT and an investment manager to manage the investments of ACIRT on behalf of the trustee.

14. ACIRT is an approved worker entitlement fund for fringe benefits tax (FBT) purposes from 26 February 2004.

15. Employers are obligated by various awards and agreements (industrial instruments) to provide redundancy entitlements for their workers. Employers can fund worker redundancy entitlements that they are required to make by the payment of contributions to ACIRT.

16. ACIRT accepts contributions from employers, to fund each worker's redundancy benefit. ACIRT and individual employers execute an agreement called a Deed of Adherence which sets out the amount to be contributed by the employer in respect of each worker which may be:

- the minimum contribution (see Deed of Adherence);
- an amount required to fund the workers redundancy benefit as provided in an Industrial Instrument;

- such higher contribution specified in the Deed of Adherence (executed by Employers on applying to ACIRT for it to accept contributions on behalf of its workers); or
- such contribution specified in the Deed of Adherence until the total amount as specified in the Deed of Adherence has been contributed.

17. As outlined in clause 5.1 of the ACIRT trust deed, all contributions made to ACIRT by employers will be placed into separate member accounts identifying contributions for that member.

18. On becoming redundant, as defined in the Trust Deed, a member is entitled to be paid a redundancy benefit of the amount held in the member's account.

19. In addition to receiving contributions from employers on behalf of workers, ACIRT earns income on the contributions it holds. ACIRT distributes all the income each year to member accounts after payment of expenses.

20. The income available for distribution is divided amongst members in proportion to the members' account balances (subject to a minimum balance requirement).

21. Redundancy payments from ACIRT are treated as eligible termination payments (ETP) and subject to the relevant ETP tax rates (including Medicare levy), which is deducted by the administrator of ACIRT. If an ETP is rolled over into the superannuation fund of a member, no tax is deducted by ACIRT.

22. Members can transfer the benefits they have accumulated with another redundancy fund into ACIRT where such transfer is permitted by the other fund.

23. Members can transfer benefits from ACIRT to another 'approved worker entitlement fund'.

## Ruling

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24. An employer who makes contributions on behalf of workers to ACIRT under the ACIRT Trust Deed, can claim a deduction under section 8-1 of the ITAA 1997 for the amount of the contribution.

25. Where an employer pays an amount of an entitlement directly to a worker and then seeks reimbursement from ACIRT, the amount of the payment will be an allowable deduction under section 8-1 of the ITAA 1997.

26. A reimbursement received by an employer from ACIRT for an amount of an entitlement paid directly to a worker will be assessable income under section 6-5 of the ITAA 1997 at the time the amount is derived by the employer.

27. Where the employer pays an amount of an entitlement directly to a worker and then seeks reimbursement from ACIRT, the payment of the entitlement will be treated in the same manner as if it were paid by ACIRT.

28. The redundancy payment in terms of the Trust Deed made to a member of ACIRT is made 'in consequence of' the termination of the employment of the member and constitutes an ETP as defined under paragraph (a) of the definition of 'eligible termination payment' in subsection 27A(1) of the ITAA 1936.

29. However, section 27F of the ITAA 1936 will not apply to the 'redundancy' payment as the payment will not exceed the amount of an ETP that could reasonably be expected to have been made in relation to the member had they voluntarily retired from that employment at the termination time.

## **Explanation**

### **Application of section 8-1 of the *Income Tax Assessment Act 1997***

30. Section 8-1 of the ITAA 1997 provides that you can deduct from your assessable income any loss or outgoing to the extent that it is incurred in gaining or producing assessable income and is not:

- capital, private or domestic in nature;
- incurred in gaining or producing exempt income; or
- prevented from being deductible by a provision of the Act.

### **Positive limbs**

#### ***Nexus to gaining and producing assessable income***

31. In carrying on business activities an employer is required to fulfil their obligations in respect to the entitlements of their workers. These entitlements may be contained in the governing award, enterprise bargaining agreement or other industrial instrument negotiated between the employer and the relevant union on the employee's behalf. If an employer chooses to fund their worker entitlements via a contribution to ACIRT, a Deed of Adherence is executed between the employer and ACIRT.

32. In addition to the employer's legal obligations under their relevant industrial instrument/s, the employer is also required to meet the obligations contained under the Deed of Adherence. The administrative provisions require the employer to make monthly contributions to ACIRT in respect of worker entitlements.

33. It is accepted that there is a nexus between the business activities being carried on by the employer and the employer's obligation to provide for worker entitlements, such that payment of the worker entitlements is incidental and relevant to the production of the assessable income of the business.

## ***Incurring the amount***

34. At the point at which an employer makes the contribution to the Trustee of ACIRT the amount is placed into member accounts and the amount/s are no longer available to the employer. This differs from the situation in *Walstern Pty Ltd v. Federal Commissioner of Taxation* [2003] FCA 1428; 2003 ATC 5076; (2003) 54 ATR 423 where there were no members of the trust. The contributions were not expenses incurred by the employer as they remained funds of the employer.

35. The ability for amounts to be reimbursed and returned to the employer under the ACIRT trust deed (a factor which must be possible to satisfy paragraph 58PB(4)(c) of the *Fringe Benefits Tax Assessment Act 1986*) does not effect whether the monthly contributions are incurred by the employer.

36. Even though the ACIRT trust deed enables the employer to seek reimbursement, the contributions to ACIRT are definite payments which the employer is required to make to meet the legal obligations of carrying on business activities. As such the contributions are incurred when made (for employers accounting on a cash basis) or when the liability to make the payment each month arises (for employers accounting on an accruals basis).

## **Conclusion**

37. The employer's monthly contribution/s to ACIRT are outgoings incurred in carrying on a business for the purposes of section 8-1 of the ITAA 1997.

## **Negative limbs**

### ***Is the contribution revenue or capital in nature?***

38. Whether the payment of worker entitlements to ACIRT is revenue or capital in nature depends on the character of the payment when made by the employer. As stated in *GP International Pipecoaters Pty Ltd v. Federal Commissioner of Taxation* (1990) 90 ATC 4413 at 4419; (1990) 21 ATR 1 at 7:

The character of expenditure is ordinarily determined by reference to the nature of the asset acquired or the liability discharged by the making of the expenditure, for the character of the advantage sought by the making of the expenditure is the chief, if not the critical, factor in determining the character of what is paid: *Sun Newspapers Ltd. v. F.C. of T.* (1938) 61 C.L.R. 337 at p. 363.

39. In making the monthly contribution/s to ACIRT, the employer meets their immediate legal obligation under the Deed of Adherence and the ACIRT Trust Deed (as required by their governing Award listed in Schedule A of the Building Industry Redundancy Pay Agreement).

40. The employer discharges their obligation in respect to their workers each month when the monthly payment is made to ACIRT as required by clause 9.1(a) of the ACIRT Trust Deed.

41. The employer is making repetitive monthly contributions to discharge an immediate obligation and the obligation is directly connected to the income earning capacity of the business. Accordingly, the payment of the contribution/s is revenue in nature.

### **Payments by employer to employee**

42. It is accepted that there is a nexus between the business activities being carried on by the employer and the employer's obligation to provide for worker entitlements, such that payment of the worker entitlements to a worker by an employer is incidental and relevant to the production of the assessable income of the business.

43. Accordingly the payment of a redundancy entitlement to a redundant worker would be an allowable deduction under section 8-1 of the ITAA 1997 as an expense incurred in gaining or producing assessable income or carrying on a business.

### **Reimbursement of payment by employer**

44. Where an employer has paid a worker their redundancy entitlement directly, the employer may apply to ACIRT for a reimbursement of this amount. ACIRT may reimburse the employer for this amount under clause 29 of the ACIRT trust deed.

45. Where an employer has claimed or will claim a deduction for a redundancy entitlement paid to a redundant worker under section 8-1 of the ITAA 1997, the reimbursement of this expense must be declared as income. In these cases it is considered that reimbursement is income received in the ordinary course of business and assessable under section 6-5 of the ITAA 1997 in the income year in which it is derived.

### **Nature of payment made by employer**

#### ***Eligible termination payment***

46. An eligible termination payment (ETP) is exhaustively defined in subsection 27A(1) of the ITAA 1936. There are a number of different payments that qualify as an ETP. One such payment is that made on termination of employment. Paragraph (a) of the definition of an ETP in subsection 27A(1) of the ITAA 1936 states in part:

**eligible termination payment**, in relation to a taxpayer, means:

- a) any payment made in respect of the taxpayer in consequence of the termination of any employment of the taxpayer other than a payment...



47. The phrase 'in consequence of' is not defined in the ITAA 1936. However, the words have been interpreted by the courts in several cases. The Commissioner has also issued Taxation Ruling TR 2003/13 Income tax: eligible termination payments (ETP): payments made in consequence of the termination of any employment: meaning of the phrase 'in consequence of' (TR 2003/13) which discusses the meaning of the phrase.

48. The Full High Court of Australia considered the expression 'in consequence of the termination of any employment' in *Reseck v. Federal Commissioner of Taxation* (1975) 49 ALJR 370; (1975) 6 ALR 642; (1975) 5 ATR 538; (1975) 75 ATC 4213; (1975) 133 CLR 45 (*Reseck*). The relevant issue in that case was whether amounts paid to a taxpayer by his employer at the end of two periods of employment, to which the taxpayer was entitled under an agreement between the employer and the taxpayer's union, were an allowance paid in a lump sum 'in consequence of retirement from, or the termination of, any office or employment ...'. Gibbs J concluded that the amounts were made in consequence of the termination of the taxpayer's employment. His Honour said that:

Within the ordinary meaning of the words, a sum is paid in consequence of the termination of employment when the payment follows as an effect or result of the termination ... It is not in my opinion necessary that the termination of the services should be the dominant cause of the payment ... In the present case the allowance was paid in consequence of a number of circumstances, including the fact that the taxpayer's service had been satisfactory and that the industrial agreements provided for the payment, but it was none the less paid in consequence of the termination of the taxpayer's employment.

49. Jacobs J also concluded that the amounts constituted an allowance that was paid in consequence of the termination of the taxpayer's employment. His Honour said:

It was submitted that the words 'in consequence of' import a concept that the termination of the employment was the dominant cause of the payment. This cannot be so. A consequence in this context is not the same as a result. It does not import causation but rather a 'following on'.

50. The different interpretations of 'in consequence of' adopted by Jacobs J and Gibbs J were considered by the Full Federal Court in *McIntosh v. Commissioner of Taxation* (1979) 25 ALR 557; 10 ATR 13; 45 FLR 279; 79 ATC 4325. The matter before the court concerned a taxpayer who one week after retirement commuted part of the pension, to which he became entitled upon his retirement, into a lump sum. The commuted payment was made out of a provident fund established by a bank for the payment of benefits to bank officers on their retirement. The issue being considered by the court was whether the commuted lump sum payment came within former paragraph 26(d) of the ITAA 1936.

51. Brennan J considered the judgments of Gibbs J and Jacobs J in *Reseck* and concluded that their Honours were both saying that a causal nexus between the termination and payment was required, though it was not necessary for the termination to be the dominant cause of the payment. Brennan J said that:

Though Jacobs J. speaks in different terms, his meaning may not be significantly different from the meaning of Gibbs J... His Honour denies the necessity to show that retirement is the dominant cause, but he does not allow a temporal sequence alone to suffice as the nexus. Though the language of causation often contains the seeds of confusion, I apprehend his Honour to hold the required nexus to be (at least) that the payment would not have been made but for the retirement.

52. In the same case, Lockhart J stated:

In my opinion, although the phrase is sufficiently wide to include a payment caused by the retirement of the taxpayer, it is not confined to such a payment. The phrase requires that there be a connection between the payment and the retirement of the taxpayer, the act of retirement being either a cause or an antecedent of the payment. The phrase used in section 26(d) is not 'caused by' but 'in consequence of'. It has a wider connotation than causation and assumes a connection between the circumstance of retirement and the act of payment such that the payment can be said to be a 'following on' of the retirement.

53. The Commissioner in TR 2003/13 considered the phrase 'in consequence of' as interpreted by the courts. Paragraph 5 of TR 2003/13 states:

...the Commissioner considers that a payment is made in respect of a taxpayer in consequence of the termination of the employment of the taxpayer if the payment 'follows as an effect or result of' the termination. In other words, but for the termination of employment, the payment would not have been made to the taxpayer.

54. The question of whether a payment is made in consequence of the termination of employment will be determined by the relevant facts and circumstances of each case.

55. Clause 19.2 of the Trust Deed of the ACIRT provides for the payment of an amount to the Member not exceeding the amount standing to the credit of the Member Account upon the Member being made redundant. The term 'redundant' is defined under clause 1.1 of the Trust Deed as:

**'Redundancy' or 'Redundant'** means, the termination or cessation of employment of a Member for any reason other than where paragraphs (a) or (b) of clause 17.1 applies.

56. Paragraph (a) of clause 17.1 deals with the situation where a participating employer is dissolved or wound up and another company, person or firm agrees to undertake the obligations of the participating employer in respect of the ACIRT. Paragraph (b) deals with the situation where another company, person or firm acquires all or part of the undertaking and assets of a participating employer and agrees to undertake the obligations of the participating employer in respect of the ACIRT.

57. It is considered that there is sufficient nexus between the making of the payments under clause 19.2 and the termination of the relevant Member's employment to constitute the payments as being ETPs as defined under paragraph (a) of the definition of an ETP in subsection 27A(1) of the ITAA 1936.

### ***Bona fide redundancy payment***

58. Section 27F of the ITAA 1936 provides for certain termination payments to be concessional taxed as a bona fide redundancy payment (BFRP) provided they meet all of the following requirements:

- there must be an ETP made in relation to a taxpayer in consequence of the dismissal of the taxpayer from employment by reason of the taxpayer's bona fide redundancy (paragraph 27F(1)(a));
- if the ETP is made after 1 July 1994, it must not be made from an eligible superannuation fund (paragraph 27F(1)(aa));
- the time of termination must be before the date that the taxpayer attains 65 years of age, or such earlier date on which the taxpayer's employment would necessarily have had to terminate under the terms of employment (paragraph 27F(1)(b));
- the amount of the ETP must not be greater than the amount that could reasonably be expected to have been paid if the employer and the taxpayer had been at arm's length (paragraph 27F(1)(c)); and
- there must not be, at the termination time, any agreement between the taxpayer and the employer, or between the employer and another person, to employ the taxpayer after the termination time (paragraph 27F(1)(d)).

59. Additionally, where all of the above requirements are met, section 27F of the ITAA 1936 imposes a further requirement that only so much of the ETP as exceeds the amount of an ETP 'that could reasonably be expected to have been made in relation to the taxpayer had he voluntarily retired from that employment at the termination time' will be treated as a BFRP in relation to the taxpayer.

60. The terms 'dismissal' and 'redundancy' are not defined in the ITAA 1936. Therefore, it is necessary to consider the common law or ordinary meaning of the terms and the meaning the judicial authorities have ascribed to each word.

61. The Explanatory Memorandum to the Income Tax Assessment Amendment Bill (No. 3) 1984 (the EM) which inserted section 27F into the ITAA 1936 states at page 91:

The terms 'dismissal' and 'redundancy' are not defined in the legislation and, therefore, should be given their ordinary meanings. 'Dismissal' carries with it the concept of the involuntary (on the taxpayer's part) termination of employment. 'Redundancy' carries the concept that the requirements of the employer for employees to carry out work of a particular kind, or for employees to carry out work of a particular kind in the place where they were so employed, have ceased or diminished or are expected to cease or diminish. Redundancy, however, would not extend to the dismissal of an employee for personal or disciplinary reasons or for reasons that the employee was inefficient.

62. Taxation Ruling TR 94/12, Income tax: approved early retirement scheme and bona fide redundancy payments (TR 94/12), which outlines the Commissioner's view of the requirements for a payment to qualify as a bona fide redundancy payment under section 27F of the ITAA 1936 expands upon and provides additional clarification as to what constitutes a 'dismissal' and 'redundancy'.

35. *Dismissal* carries with it the concept of the involuntary (on the employee's part) termination of employment. The termination of an employee's employment will usually be instigated or initiated by the employer.

...

40. Dismissal also includes the notion of constructive dismissal. Constructive dismissal arises if an employer places an employee in a position in which the employee has little option but to tender his or her resignation. For example, the employer may be reducing the size of his or her operations and may offer a voluntary redundancy package to a selected employee. If the employee refuses the offer he or she may be forced to accept another position which may not be commensurate with his or her qualifications and experience or may involve a lower level of remuneration...The termination of employment in these circumstances would amount to a constructive dismissal.

63. The subject of 'bona fide redundancy payments' was discussed in AAT Case 4287 (1988) 19 ATR 3443; Case V67 88 ATC 505. In concluding that the dismissal amounted to a 'constructive dismissal', Deputy President Dr Gerber stated:

I am satisfied that a provision which, put crudely, means 'resign or else' has all the hallmarks of leaving a loaded pistol in the hands of an officer and gentleman and telling him that he is about to be court-martialled for hocking the regimental silver.

Applied to the instant case, I have 'concluded' that the option of a voluntary retirement is a Faustian bargain equivalent to a

constructive dismissal; it is not the voluntary retirement referred to in sec.27F(1).

64. Paragraphs 41 to 42 of TR 94/12 provide the following in relation to the meaning of redundancy:

41. Redundancy can be described as the situation where an employer no longer requires employees to carry out work of a particular kind or to carry out work of a particular kind at the same location. Bray CJ in *R v. The Industrial Commission of South Australia; ex parte Adelaide Milk Supply Co-operative Ltd & Ors* (1977) 44 SAIR 1202 at page 1205; (1977) 16 SASR 6 at page 8 defined redundancy as follows:

... a job becomes redundant when an employer no longer desires to have it performed by anyone. A dismissal for redundancy seems to be a dismissal, not on account of any act or default of the employee dismissed or any consideration peculiar to him, but because the employer no longer wishes the job the employee has been doing to be done by anyone.

42. Redundancy refers to a job becoming redundant and not to an employee becoming redundant (*Short v. F W Hercus Pty Ltd* (1993) 40 FCR 511; (1993) 46 IR 128; (1993) 35 AILR 151). An employee's job is considered to be redundant if:

- an employer has made a definite decision that the employer no longer wishes the job the employee has been doing to be done by any one;
- that decision is not due to the ordinary and customary turnover of labour;
- that decision led to the termination of the employee's employment; and
- that termination of employment is not on account of any personal act or default of the employee.

65. As noted above, clause 19.2 of the ACIRT Trust Deed provides for the payment of an amount to the Member not exceeding the amount standing to the credit of the Member Account upon the Member being made redundant. However, the term 'redundancy', which is defined in clause 1.1 of the Trust Deed, simply refers to the termination or cessation of employment of the Member for any reason and thus does not correspond with the meaning ascribed in paragraphs 41 and 42 of TR 94/12.

66. Consequently, it is not possible to conclude whether or not the first requirement under paragraph 27F(1)(a) of the ITAA 1936 would be satisfied. This would have to be determined by the relevant facts and circumstances of each case.

67. The ACIRT is not an eligible superannuation fund so the second requirement under paragraph 27F(1)(aa) of the ITAA 1936 would be satisfied.

68. It is not possible to conclude whether or not the other three requirements under paragraphs 27F(1)(b), (c) and (d) of the

ITAA 1936 would be satisfied. This would have to be determined by the relevant facts and circumstances of each case.

69. Even if the requirements of paragraphs 27F(1)(a), (b), (c) and (d) of the ITAA 1936 are satisfied, only so much of the ETP as exceeds the amount of an ETP 'that could reasonably be expected to have been made in relation to the taxpayer had he voluntarily retired from that employment at the termination time will be treated as a BFRP in relation to the taxpayer'.

70. As already noted clause 19.2 of the Trust Deed provides for the payment of an amount to the Member not exceeding the amount standing to the credit of the Member Account upon the Member being made redundant.

71. However, as also already noted, clause 1.1 of the Trust Deed which defines the terms 'redundancy' and 'redundant' simply refers to the termination or cessation of employment of the Member for any reason. Thus payments may be made to a Member for various events including retirement from the workforce on or after age 55, leaving the industry, death, etc.

72. This means that, for example, where an employee of a participating employer resigns and leaves the Industry, that employee would receive the balance of their Member Account.

73. Consequently, no part of the amount payable under clause 19.2 of the Trust Deed would exceed the amount of an ETP 'that could reasonably be expected to have been made in relation to the taxpayer had he voluntarily retired from that employment at the termination time'. Thus, there will not be a BFRP in relation to the Member.

74. Amounts payable under clause 19.2 of the Trust Deed would be assessable income of the recipient in terms of sections 27B and 27C of the ITAA 1936.

## **Detailed contents list**

75. Below is a detailed contents list for this Class Ruling:

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**Commissioner of Taxation**

21 December 2005

<i>Previous draft:</i>	- ITAA 1936 27F(1)(d)
Not previously issued as a draft	- ITAA 1997 6-5
	- ITAA 1997 8-1
<i>Related Rulings/Determinations:</i>	- Copyright Act 1968
CR 2001/1; TR 92/1; TR 92/20;	- TAA 1953 Pt IVA
TR 94/12; TR 97/16; TR 2003/13	- FBTAA 1986 58PB(4)(c)
<i>Subject references:</i>	<i>Case references:</i>
- income	- AAT Case 4287 (1988) 19 ATR 3443
- assessable recoupments	- Case V67 88 ATC 505
- deductions and expenses	- GP International Pipecoaters Pty Ltd v. Federal Commissioner of Taxation (1990) ATC 4413; (1990) 21 ATR 1
- eligible termination payments	- McIntosh v. Commissioner of Taxation (1979) 25 ALR 557; 10 ATR 13; 45 FLR 279; 79 ATC 4325
<i>Legislative references:</i>	- R v. The Industrial Commission of South Australia; ex parte Adelaide Milk Supply Co-operative Ltd & Ors (1977) 44 SAIR 1202 (1977) 16 SASR 6
- ITAA 1936 26(d)	- Reseck v. Federal Commissioner of Taxation (1975) 49 ALJR 370; (1975) 6 ALR 642; (1975) 5ATR
- ITAA 1936 27A	
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538; (1975) 75 ATC 4213; (1975)  
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- Short v. F W Hercus Pty Ltd  
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- Sun Newspapers Ltd v. FC of T  
(1938) 61 CLR 337  
- Walstern Pty Ltd v. Federal  
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FCA 1428; 2003 ATC 5076; (2003)  
54 ATR 423

*Other references:*

- Explanatory Memorandum to the  
Income Tax Assessment  
Amendment Bill (No. 3) 1984

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ATO references

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termination payments

Income Tax ~~ Tax offsets, credits and benefits ~~  
eligible termination payments tax offset

Income Tax ~~ Deductions ~~ fringe benefits tax