

# ***CR 2006/78A - Addendum - Income tax: Approved Early Retirement Scheme - Metropolitan Fire and Emergency Services Board***

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## Addendum

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### Class Ruling

## Income tax: Approved Early Retirement Scheme – Metropolitan Fire and Emergency Services Board

This Addendum amends Class Ruling CR 2006/78 to reflect changes to legislation relating to early retirement scheme payments.

#### **CR 2006/78 is amended as follows:**

##### **1. Paragraph 52**

After the paragraph insert:

##### **Payments made after 30 June 2007**

53. For payments made after 30 June 2007 the requirements in section 83-180 of the *Income Tax Assessment Act 1997* (ITAA 1997) for a payment to be an early retirement scheme payment remain essentially the same as set out in paragraphs 45 to 52 of this Ruling.

54. For the year ending 30 June 2008, the tax-free amount is limited to \$7,020 plus \$3,511 for each complete year of service.

55. The tax-free amount of the early retirement scheme payment made after 30 June 2007 that falls within the limit specified in section 83-170 of the ITAA 1997 will not be assessable income and will not be exempt income.

56. Any payment in excess of this limit will be an employment termination payment as defined in section 82-130 of the ITAA 1997, and will be split up into tax free and taxable components. The tax free component of an employment termination payment includes the pre-July 83 segment of the payment. The tax free component is not assessable income and is not exempt income.

57. Employment termination payments cannot be rolled-over into a superannuation fund.

##### **2. Former paragraph 53**

Renumber as paragraph 58.

### 3. Paragraph 58

Omit:

**Appendix 2 – Detailed contents list** **53**

substitute:

Payments made after 30 June 2007 **53**

**Appendix 2 – Detailed contents list** **58**

### 4. Subject references

Insert:

- early retirement scheme payment
- employment termination payment

### 5. Legislative references

Insert:

- ITAA 1997 82-130
- ITAA 1997 83-170
- ITAA 1997 83-180

This Addendum applies on and from 1 July 2007.

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**Commissioner of Taxation**

4 July 2007

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ATO references

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