


TD 93/D125 - Income tax: does employment, for the purposes of subsection 27A(1), include time spent as a partner for the purpose of calculation of the eligible service period in relation to an eligible termination payment made in consequence of the termination of a person's employment?

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This document has been finalised by TD 93/192.

Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

Draft Taxation Determination

Income tax: does employment, for the purposes of subsection 27A(1), include time spent as a partner for the purpose of calculation of the eligible service period in relation to an eligible termination payment made in consequence of the termination of a person's employment?

1. No. It only refers to service as an employee.

Example:

Mr X joined an accounting firm, AB Partners as an employee on 1 January 1968. He became a partner in the firm on 1 January 1972. In 1 January 1980 AB Partners incorporated as a service company, and set up a superannuation fund. X became an employee of the service company and joined the superannuation fund. He retired on 31 December 1990 and received an eligible termination payment from the superannuation fund. His eligible service period commences on 1 January 1980 being the date on which he became an employee of the service company and joined the superannuation fund. His time as a partner does not form part of the eligible service period.

Commissioner of Taxation

27/5/93

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