
Taxation Determination

Income tax: what are the thresholds and limits for superannuation amounts in 2003-2004?

Preamble

*The number, subject heading, date of effect and paragraphs 2 to paragraphs 7 of this document are a 'public ruling' for the purposes of Part IVAAA of the **Taxation Administration Act 1953** and are legally binding on the Commissioner. The remainder of this Determination is administratively binding on the Commissioner. Taxation Rulings TR 92/1 and TR 97/16 together explain when a Determination is a 'public ruling' and how it is binding on the Commissioner.*

1. In accordance with the *Income Tax Assessment Act 1936* ('ITAA 1936'), there are a number of thresholds and limits that require indexation each year by movements in full-time adult average weekly ordinary time earnings (AWOTE).
2. The AWOTE amount is an estimate by the Australian Statistician of the full-time adult average weekly ordinary time earnings for persons in Australia. The estimate for February 2003 was \$900.40 and the estimate for February 2002 was \$860.50. This produces an indexation factor of 1.046.
3. This factor is applied against the 2002-2003 thresholds and limits. The new thresholds and limits that apply from 1 July 2003 are set out in the following paragraphs.
4. For the purposes of subsection 27A(20) of the ITAA 1936, the **tax free amounts** of a bona fide redundancy payment or of an approved early retirement scheme payment are:
 - \$5,882** (formerly \$5,623)
 - \$2,941** (formerly \$2,812)
5. For the purposes of subsections 82AAC(2B) and 82AAT(2B) of the ITAA 1936, the **age based deduction limits** for superannuation contributions by employers and eligible persons are:
 - \$13,233** (formerly \$12,651)
 - \$36,754** (formerly \$35,138)
 - \$91,149** (formerly \$87,141)
6. For the purposes of subsection 140ZD(3) of the ITAA 1936, the **RBL limits** are:
 - Lump Sum RBL **\$588,056** (formerly \$562,195)
 - Pension RBL **\$1,176,106** (formerly \$1,124,384)

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7. The **upper limit for determining the residual amount** for the purposes of section 159SG of the ITAA 1936, i.e. the threshold on the post-June 1983 component of an ETP is:

\$117,576 (formerly \$112,405)

Date of effect

8. This Determination applies to years commencing both before and after its date of issue. However, it 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 the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Commissioner of Taxation

4 June 2003

Previous draft:

Not previously released in draft form.

Related Rulings/Determinations:

TD 96/24; TD 97/11; TD 98/12; TD 1999/12; TD 2000/23; TD 2001/15; TD 2002/11

Subject references:

- age based deduction limits
- approved early retirement scheme
- bona fide redundancy
- elective deduction limit
- lump sum reasonable benefit limit
- pension reasonable benefit limit

Legislative references:

- TAA 1953 Part IVAAA
- ITAA 1936
- ITAA 1936 27A(20)
- ITAA 1936 82AAC(2B)
- ITAA 1936 82AAT(2B)
- ITAA 1936 140ZD(3)
- ITAA 1936 159SG

ATO references

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