TR 2012/6A1 - Addendum - Income tax: deductibility under subsection 295-465(1) of the Income Tax Assessment Act 1997 of premiums paid by a complying superannuation fund for an insurance policy providing Total and Permanent Disability cover in respect of its members

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Addendum

Taxation Ruling

Income tax: deductibility under subsection 295-465(1) of the *Income Tax Assessment Act 1997* of premiums paid by a complying superannuation fund for an insurance policy providing Total and Permanent Disability cover in respect of its members

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Taxation Ruling TR 2012/6 to:

- update the title, preamble and legislative references
- make several minor corrections to grammar and punctuation
- correct a minor drafting error, and
- include a footnote noting regulation 4.07D of the *Superannuation Industry (Supervision) Regulations 1994*.

TR 2012/6 is amended as follows:

1. Title

Omit 'Total and Permanent Disability'; substitute 'total and permanent disability'.

2. Table of Contents

Omit the Table of Contents; substitute:

Table of Contents	**Paragraph**
What this Ruling is about	1
Definitions	6
'TPD insurance policy'	6
'TPD benefits'	7
'Insured event'	8
'Complying superannuation fund'	10
'Disability superannuation benefit'	11
'Preserved benefits'	12
'Condition of release'	13
Ruling	**14**
Deductibility of premiums under subsection 295-465(1)	14

Sole purpose 19
Alignment with definition of 'disability superannuation benefit' 22
Deduction under item 5 in the table in subsection 295-465(1) 24
Deduction for the whole premium 24
Deduction for a specified part of the premium 25
Deduction for part of the premium under item 6 in the table in subsection 295-465(1) 28
No deduction 39
Effect of superannuation fund trust deed 41
Examples 43
Example 1: deduction for own occupation under item 6 in the table in subsection 295-465(1) 44
Example 2: deduction for any occupation and own occupation under item 5 in the table in subsection 295-465(1) 52
Example 3: deduction for own occupation and loss of limbs or sight (or both) under item 6 in the table in subsection 295-465(1) 63
Example 4: deduction for any occupation and domestic duties under item 5 in the table in subsection 295-465(1) 75
Example 5: deduction for any occupation and loss of limbs or sight (or both) under item 6 in the table in subsection 295-465(1) 82
Example 6: deduction for any occupation and loss of independence under item 5 in the table in subsection 295-465(1) 93
Example 7: deduction for any occupation and death benefit under item 5 in the table in subsection 295-465(1) 100
Example 8: deduction for own occupation bundled with death benefit under item 6 in the table in subsection 295-465(1) 109
Example 9: no deduction for premium for additional death and TPD insurance where no connection to a current or contingent liability of a fund to provide a 'disability superannuation benefit' 122
Date of effect **126**
Appendix – Explanation **128**
Background 128
Legislative history – the ITAA 1936 131
Transitional provisions and other amendments to the law 137
Division 295 139
Deductibility of premiums under subsection 295-465(1) 147
Sole purpose 160
Alignment with definition of 'disability superannuation benefit' 168
Deduction for specified part of the premium under item 5 in the table in subsection 295-465(1) 173
Deduction for part of the premium under item 6 in the table in subsection 295-465(1) based on apportionment 191
No deduction 220
Effect of superannuation fund trust deed 224

3. Preamble

Omit the wording of the preamble; substitute:

> **Relying on this Ruling**
>
> This publication (excluding appendix) is a public ruling for the purposes of the *Taxation Administration Act 1953*.
>
> If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

4. Paragraph 1

Omit footnote 1.

5. Paragraph 2

Omit the wording of paragraph 2; substitute:

In particular, this Ruling explains:

- the Commissioner's view on how subsections 295-465(1), 295-465(1A) and 295-465(1B) of the ITAA 1997, together with paragraph 295-460(b) of the ITAA 1997, apply to such premiums;
- the relationship between the deductibility of the premiums and the rules for the provision of benefits by a complying superannuation fund to its members as set out in the *Superannuation Industry (Supervision) Act 1993* (SISA) and the *Superannuation Industry (Supervision) Regulations 1994* (SISR); and
- the interaction of the relevant ITAA 1997 provisions with the relevant provisions of the *Income Tax Assessment (1997 Act) Regulations 2021* (ITAR (1997 Act) 2021).

6. Paragraph 3

Omit the wording of the paragraph; substitute:

The relevant provisions applied in this Ruling are:

- section 295-460 of the ITAA 1997;
- section 295-465 of the ITAA 1997;
- section 995-1 of the ITAA 1997; and
- section 295-465.01 of the ITAR (1997 Act) 2021.

7. Paragraph 4

Omit 'Nor does it'; substitute 'Additionally, it does not'.

8. Paragraph 5

(a) After 'subsection 295-465(1)', insert 'of the ITAA 1997'.

(b) After the paragraph, insert new paragraph 5A:

5A. All further legislative references in this Ruling are to the ITAA 1997, unless otherwise indicated.

9. Paragraph 6

(a) After 'In this Ruling', insert a comma.

(b) After 'For the purpose of this Ruling', insert a comma.

10. Paragraph 7

After 'In this Ruling', insert a comma.

11. Paragraph 8

In the heading, omit 'insured'; substitute 'Insured'.

12. Paragraph 10

(a) In the heading, omit 'complying'; substitute 'Complying'.

(b) After 'In this Ruling', insert a comma.

13. Paragraph 11

(a) In the heading, omit 'disability'; substitute 'Disability'.

(b) Omit the wording of the quote; substitute:

a superannuation benefit if:

(a) the benefit is paid to an individual because he or she suffers from ill-health (whether physical or mental); and

(b) 2 legally qualified medical practitioners have certified that, because of the ill-health, it is unlikely that the individual can ever be gainfully employed in a capacity for which he or she is reasonably qualified because of education, experience or training.

14. Paragraph 12

(a) In the heading, omit 'preserved'; substitute 'Preserved'.

(b) After 'In this Ruling', insert a comma.

15. Paragraph 13

(a) In the heading, omit 'condition'; substitute 'Condition'.

(b) After 'In this Ruling', insert a comma.

16. Paragraph 15

Omit 'event(s). Also whether on the occurrence of those events'; substitute 'event and also, whether on the occurrence of those events,'.

17. Paragraph 21

In footnote 10, after 'However', insert a comma.

18. Paragraph 25

(a) Omit the wording of the paragraph, including footnote 13; substitute:

A premium may be paid to cover more than one insured event for permanent disability where:

(a) the occurrence of one or more of the insured events specified in the policy is certain to result in a fund liability, pursuant to the terms of the fund trust deed, to provide a 'disability superannuation benefit' to a member; and

(b) the occurrence of other insured events specified in the policy is not certain to result in a fund liability, pursuant to the terms of the fund trust deed, to provide a 'disability superannuation benefit' to a member.

(b) After the paragraph, insert new paragraph 25A:

25A. Where a premium is paid in the circumstances detailed in paragraph 25 of this Ruling, item 5 in the table in subsection 295-465(1) will apply to allow a deduction for the part of a premium that is specified in the policy as being wholly for the liability to provide benefits covered by section 295-460.[12A]

(c) At the end of new paragraph 25A, insert new footnote 13A:

[13A] Refer footnote 12 of this Ruling.

19. Paragraph 26

After 'either an amount', omit the comma.

20. Paragraph 29

In footnote 14, omit 'Income Tax Assessment Regulations 1997 (ITAR 1997)'; substitute 'ITAR (1997 Act) 2021'.

21. Paragraph 30

(a) Omit 'subregulation 295-465.01(1) of the ITAR'; substitute 'subsection 295-465.01(1) of the ITAR (1997 Act) 2021'.

(b) Omit 'subregulation 295-465.01(5) of the ITAR'; substitute 'subsection 295-465.01(5) of the ITAR (1997 Act) 2021'.

(c) At the end of the paragraph, insert new footnote 14A:

[14A] This Ruling does not consider the operation of regulation 4.07D of the SISR, which generally requires insured benefits provided through superannuation funds to be consistent with specified conditions of release. This may affect the circumstances in which certain insured benefits, including own occupation benefits, may be provided.

22. Paragraph 31

(a) Omit 'subregulation 295-465.01(1) of the ITAR'; substitute 'subsection 295-465.01(1) of the ITAR (1997 Act) 2021'.

(b) Omit all instances of 'subregulation 295-465.01(5) of the ITAR'; substitute 'subsection 295-465.01(5) of the ITAR (1997 Act) 2021'.

23. Paragraph 32

Omit all instances of 'subregulation 295-465.01(5) of the ITAR'; substitute 'subsection 295-465.01(5) of the ITAR (1997 Act) 2021'.

24. Paragraph 33

(a) Omit 'subregulation 295-465.01(5) of the ITAR'; substitute 'subsection 295-465.01(5) of the ITAR (1997 Act) 2021'.

(b) Omit the wording of footnote 15; substitute:

Subsection 295-465.01(3) of the ITAR (1997 Act) 2021.

25. Paragraph 34

(a) Omit 'subregulation 295-465.01(1) of the ITAR'; substitute 'subsection 295-465.01(1) of the ITAR (1997 Act) 2021'.

(b) Omit the wording of footnote 16; substitute:

Subsection 295-465.01(4) of the ITAR (1997 Act) 2021.

26. Paragraphs 35 and 36

Omit 'subregulation 295-465.01(1) of the ITAR'; substitute 'subsection 295-465.01(1) of the ITAR (1997 Act) 2021'.

27. Paragraph 40

After 'Similarly', insert a comma.

28. Paragraph 43

Omit 'section 295-465(1)'; substitute 'subsection 295-465(1)'.

29. Paragraphs 48 and 49

After '*superannuation benefit*", insert a comma.

30. Paragraph 50

(a) Omit '*subregulation 295-465.01(5) of the ITAR*'; substitute '*subsection 295-465.01(5) of the ITAR (1997 Act) 2021*'.

(b) After '*Therefore'*, insert a comma.

(c) Omit '*subregulation 295-465.01(1) of the ITAR*'; substitute '*subsection 295-465.01(1) of the ITAR (1997 Act) 2021*'.

31. Paragraphs 51, 74 and 121

Omit '*regulations, then'*; substitute '*regulations then,*'.

32. Paragraph 57

After '*Under the terms of the policy'*, insert a comma.

33. Paragraph 59

(a) After '*Therefore'*, insert a comma.

(b) Omit the wording of footnote 17; substitute:

See footnote 10 of this Ruling.

34. Paragraph 61

(a) After '*Under the terms of the policy's own occupation cover'*, insert a comma.

(b) After '*In these circumstances'*, insert a comma.

35. Paragraph 63

(a) In the heading, omit '***loss of limbs and/or sight***'; substitute '***loss of limbs or sight (or both)***'.

(b) Omit '*self managed*'; substitute '*self-managed*'.

36. Paragraphs 65, 68, 70, 71 and 89

Omit '*loss of limbs and/or sight*'; substitute '*loss of limbs or sight (or both)*'.

37. Paragraph 66

After '*Under the terms of the policy'*, insert a comma.

38. Paragraphs 67 and 85

Omit '*Loss of limbs and/or sight*'; substitute '*Loss of limbs or sight (or both)*'.

39. Paragraph 69

(a) Omit all instances of '*loss of limbs and/or sight*'; substitute '*loss of limbs or sight (or both)*'.

(b) After '*However*', insert a comma.

40. Paragraph 73

(a) Omit '*loss of limb and/or sight*'; substitute '*loss of limbs or sight (or both)*'.

(b) Omit '*subregulation 295-465.01(5) of the ITAR*'; substitute '*subsection 295-465.01(5) of the ITAR (1997 Act) 2021*'.

(c) After '*Therefore'*, insert a comma.

(d) Omit '*loss of limbs and/or sight*'; substitute '*loss of limbs or sight (or both)*'.

(e) Omit '*subregulation 295-465.01(1) of the ITAR*'; substitute '*subsection 295-465.01(1) of the ITAR (1997 Act) 2021*'.

41. Paragraph 79

(a) After '*Therefore'*, insert a comma.

(b) Omit the wording of footnote 18; substitute:

See footnote 10 of this Ruling.

42. Paragraph 80

(a) After '*at least two medical practitioners'*, omit the comma.

(b) After both instances of '*Therefore'*, insert a comma.

(c) Omit the wording of footnote 19; substitute:

See footnote 10 of this Ruling.

43. Paragraphs 81 and 108

After '*Accordingly'*, insert a comma.

44. Paragraph 82

(a) In the heading, omit '***loss of limbs and/or sight***'; substitute '***loss of limbs or sight (or both)***'.

(b) Omit '*loss of limb and/or sight*'; substitute '*loss of limbs or sight (or both)*'.

45. Paragraph 86

(a) Omit both instances of '*loss of limb and/or sight*'; substitute '*loss of limbs or sight (or both)*'.

(b) Omit '*loss of limbs and/or sight*'; substitute '*loss of limbs or sight (or both)*'.

46. Paragraph 87

(a) After '*subsection 295-465(1)*', insert a comma.

(b) After '*Therefore'*, insert a comma.

(c) Omit the wording of footnote 20; substitute:

See footnote 10 of this Ruling.

47. Paragraph 88

Omit '*loss of limbs and/or sight cover*'; substitute '*loss of limbs or sight (or both) cover,*'.

48. Paragraph 90

(a) After '*However*', insert a comma.

(b) Omit all instances of '*loss of limbs and/or sight'*; substitute '*loss of limbs or sight (or both)*'.

49. Paragraph 92

(a) Omit '*loss of limb and/or sight*'; substitute '*loss of limbs or sight (or both)*'.

(b) Omit '*subregulation 295-465.01(5) of the ITAR*'; substitute '*subsection 295-465.01(5) of the ITAR (1997 Act) 2021*'.

(c) After '*Therefore'*, insert a comma.

(d) Omit '*loss of limbs and/or sight'*; substitute '*loss of limbs or sight (or both)*'.

(e) Omit '*subregulation 295-465.01(1) of the ITAR*'; substitute '*subsection 295-465.01(1) of the ITAR (1997 Act) 2021*'.

50. Paragraph 97

(a) After '*Therefore'*, insert a comma.

(b) Omit the wording of footnote 21; substitute:

See footnote 10 of this Ruling.

51. Paragraph 98

(a) After both instances of '*Therefore'*, insert a comma.

(b) Omit the wording of footnote 22; substitute:

See footnote 10 of this Ruling.

52. Paragraph 107

(a) After '*Therefore'*, insert a comma.

(b) Omit the wording of footnote 23; substitute:

See footnote 10 of this Ruling.

53. Paragraph 109

Omit '*self managed'*; substitute '*self-managed'*.

54. Paragraph 116

After '*However*', insert a comma.

55. Paragraph 120

(a) Omit '*subregulation 295-465.01(5) of the ITAR*'; substitute '*subsection 295-465.01(5) of the ITAR (1997 Act) 2021*'.

(b) After '*Therefore'*, insert a comma.

(c) Omit '*subregulation 295-465.01(1) of the ITAR*'; substitute '*subsection 295-465.01(1) of the ITAR (1997 Act) 2021*'.

56. Paragraph 123

Omit '*debt, such that'*; substitute '*debt such that'*.

57. Paragraph 126

Omit 'ruling'; substitute 'Ruling'.

58. Paragraph 127

Omit the paragraph.

59. Paragraph 128

(a) In the heading, omit '**Appendix 1**'; substitute '**Appendix**'.

(b) After 'In other cases', insert a comma.

60. Paragraph 134

Omit 'loss of limb and/or sight'; substitute 'loss of limbs or sight (or both)'.

61. Paragraph 137

In footnote 24, omit 'will be'; substitute 'were'.

62. Paragraph 141

Omit 'for example, a 'disability superannuation benefit' or another person for example, a superannuation death benefit'; substitute '(for example, a 'disability superannuation benefit') or another person (for example, a superannuation death benefit)'.

63. Paragraph 144

In footnote 26, omit 'of the ITAA 1997'.

64. Paragraph 145

(a) After 'type specified in the regulations', insert a comma.

(b) In footnote 27, omit 'ITAR 1997'; substitute 'ITAR (1997 Act) 2021'.

65. Paragraph 149

Omit 'the person can ever be *gainfully employed'; substitute 'the person can ever be gainfully employed'.

66. Paragraph 150

Omit the wording of the paragraph; substitute:

> The term 'gainfully employed' is also defined in subsection 995-1(1) as meaning 'employed or self-employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment.

67. Paragraph 153

(a) Omit '*v. Engwirda Construction Co* (1969) 120 CLR 455, Owen J at 461'; substitute '*v Engwirda Construction Co* [1969] HCA 47; (1969) 120 CLR 455, Owen J at [461]'.

(b) In the quote, omit '… 'contingent'; substitute '… 'contingent'.

68. Paragraph 157

After 'However', insert a comma.

69. Paragraph 166

In the quote, omit 'ill-health (whether'; substitute 'Ill-health (whether'.

70. Paragraph 167

(a) After 'In our view', insert a comma.

(b) After 'subsection 295-465(1)', insert a comma.

(c) In footnote 36, after 'However', insert a comma.

(d) In footnote 36, omit ‘, and therefore’; substitute ‘and, therefore,’.

71. Paragraph 169

(a) After ‘subsection 295-465(1)’, insert a comma.

(b) In footnote 37, omit ‘noted above’; substitute ‘noted in footnote 36 of this Ruling’.

(c) In footnote 37, omit ‘, and therefore’; substitute ‘and, therefore,’.

72. Paragraph 175

After ‘In this case’, insert a comma.

73. Paragraph 177

After ‘paragraphs 191 to 219’, omit the comma.

74. Paragraph 180

After ‘the SISR’, omit the comma.

75. Paragraph 187

After ‘In some cases’, insert a comma.

76. Paragraph 188

Omit ‘full time’; substitute ‘full-time’.

77. Paragraph 194

Omit ‘new subsection’; substitute ‘subsection’.

78. Paragraph 195

At the end of the paragraph, insert a full stop.

79. Paragraph 196

(a) Omit ‘subregulation 295-465.01(1) of the ITAR’; substitute ‘subsection 295-465.01(1) of the ITAR (1997 Act) 2021’.

(b) Omit ‘subregulation 295-465.01(5) of the ITAR’; substitute ‘subsection 295-465.01(5) of the ITAR (1997 Act) 2021’.

80. Paragraph 197

Omit ‘he or she was’; substitute ‘they were’.

81. Paragraph 202

After 'In these circumstances', insert a comma.

82. Paragraphs 203 and 208

Omit 'subregulation 295-465.01(1) of the ITAR'; substitute 'subsection 295-465.01(1) of the ITAR (1997 Act) 2021'.

83. Paragraphs 204, 205 and 206

Omit 'loss of limbs and/or sight'; substitute 'loss of limbs or sight (or both)'.

84. Paragraph 209

(a) Omit 'loss of limbs and/or sight'; substitute 'loss of limbs or sight (or both)'.

(b) Omit 'subregulation 295-465.01(1) of the ITAR'; substitute 'subsection 295-465.01(1) of the ITAR (1997 Act) 2021'.

85. Paragraph 210

(a) Omit 'subregulation 295-465.01(1) of the ITAR'; substitute 'subsection 295-465.01(1) of the ITAR (1997 Act) 2021'.

(b) Omit all instances of 'subregulation 295-465.01(5) of the ITAR'; substitute 'subsection 295-465.01(5) of the ITAR (1997 Act) 2021'.

(c) Omit 'Whilst'; substitute 'While'.

(d) Omit the wording of footnote 38; substitute:

Subsection 295-465.01(2) of the ITAR (1997 Act) 2021.

86. Paragraph 211

(a) Omit all instances of 'subregulation 295-465.01(5) of the ITAR'; substitute 'subsection 295-465.01(5) of the ITAR (1997 Act) 2021'.

(b) Omit 'subregulation 295-465.01(1) of the ITAR'; substitute 'subsection 295-465.01(1) of the ITAR (1997 Act) 2021'.

87. Paragraph 212

(a) Omit all instances of 'subregulation 295-465.01(5) of the ITAR'; substitute 'subsection 295-465.01(5) of the ITAR (1997 Act) 2021'.

(b) Omit 'dressing/undressing would also likely result in the member's inability to bath/shower or eat/drink'; substitute 'dressing or undressing would also likely result in the member's inability to bath or shower or eat or drink'.

88. Paragraph 213

(a) Omit 'subregulation 295-465.01(5) of the ITAR'; substitute 'subsection 295-465.01(5) of the ITAR (1997 Act) 2021'.

(b) Omit the wording of footnote 39; substitute:

Subsection 295-465.01(3) of the ITAR (1997 Act) 2021.

89. Paragraph 214

Omit the wording of footnote 40; substitute:

Subsection 295-465.01(4) of the ITAR (1997 Act) 2021.

90. Paragraph 223

Omit 'section 295-460 ,for example an additional payment for the member to obtain financial advice'; substitute 'section 295-460 (for example, an additional payment for the member to obtain financial advice)'.

91. Paragraph 228

Omit the paragraph, including heading.

This Addendum applies:

- for the change relating to regulation 4.07D of the *Superannuation Industry (Supervision) Regulations 1994* – from 1 July 2014
- for other currency updates that do not affect the substantive application of the Ruling – before and after its issue date.

Commissioner of Taxation
11 November 2026

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