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| **EXPOSURE DRAFT** |

Inserts for

Treasury Laws Amendment (2019 Measures No. 2) Bill 2019: Genuine redundancy payments—aligning access to the tax‑free component with the Age Pension age

| Commencement information | | |
| --- | --- | --- |
| Column 1 | Column 2 | Column 3 |
| Provisions | Commencement | Date/Details |
| 1. Schedule # | The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent. |  |

Schedule #—Genuine redundancy payments and early retirement scheme payments alignment with pension age

Part 1—Genuine redundancy payments and early retirement scheme payments amendments

Income Tax Assessment Act 1997

1 Subparagraph 83‑175(2)(a)(i)

Omit “he or she turned 65”, substitute “the employee reached \*pension age”.

2 Subparagraph 83‑180(2)(a)(i)

Omit “he or she turned 65”, substitute “the employee reached \*pension age”.

3 Application

The amendments made by this Part apply to payments received by employees who are dismissed or retire on or after 1 July 2019.

Part 2—Technical amendments

Income Tax Assessment Act 1997

4 Subsection 52‑25(3) (method statement, step 1, paragraph (b))

Omit “pension age”, substitute “\*pension age”.

5 Subsection 52‑30(3) (method statement, step 1, paragraph (b))

Omit “pension age”, substitute “\*pension age”.

6 Subsection 52‑35(3) (method statement, step 1, paragraph (b))

Omit “pension age”, substitute “\*pension age”.

7 After subsection 52‑65(2)

Insert:

Note: ***Pension age*** has the meaning given by subsection 23(1) of the *Social Security Act 1991*: see subsection 995‑1(1).

8 Subsection 52‑65(3)

Repeal the subsection.

9 After subsection 52‑105(5)

Insert:

Note: ***Pension age*** has the meaning given by subsection 23(1) of the *Social Security Act 1991*: see subsection 995‑1(1).

10 Subsection 52‑105(6)

Repeal the subsection.

11 Subsection 995‑1(1) (definition of *pension age*)

Repeal the definition, substitute:

***pension age*** has the meaning given by subsection 23(1) of the *Social Security Act 1991*.

Note: In Subdivision 52‑E, ***pension age*** has the meaning given by subsection 52‑131(9).