



This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

[Note: This is a consolidated version of this document. Refer to the Tax Office Legal Database (<http://law.ato.gov.au>) to check its currency and to view the details of all changes.]

Taxation Determination

Income tax: what are the new thresholds and limits for superannuation amounts?

1. In accordance with the *Income Tax Assessment Act 1936* (the Act), 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 1996 was \$665.80 and the estimate for February 1995 was \$639.90. This produces an indexation factor of 1.040.

3. This factor is applied against the 1995/96 thresholds and limits. The new thresholds and limits that will apply from 1 July 1996 are as follows:

4. Subsection 27A(20) - the **tax free amount** of a bona fide redundancy payment and approved early retirement scheme payment:

\$4,180 to **\$4,348**

\$2,090 to **\$2,174**.

5. Subsections 82AAC(2B) and 82AAT(2B)- the **age based deduction limits** for superannuation contributions by employers and eligible persons:

\$ 9,405 to **\$ 9,782**

\$26,125 to **\$27,170**

\$64,790 to **\$67,382**.

6. Subsection 82AAC(2E) - the **elective deduction limit** for employer superannuation contributions:

\$26,125 to **\$27,170**.

7. Subsection 140ZD(3) - the **RBL limits**:

Lump Sum RBL \$418,000 to **\$434,720**

Pension RBL \$836,000 to **\$869,440**.

8. Section 159SG - the **upper limit for determining the residual amount**, i.e., the threshold on the post-June 1983 component of an ETP:

\$83,574 to **\$86,917**.

Commissioner of Taxation

29 May 1996

FOI INDEX DETAIL: Reference No. I 1015038

Not previously issued in Draft form

Related Determinations:

Related Rulings:

Subject Ref: age based deduction limits; approved early retirement scheme; bona fide redundancy; lump sum
reasonable benefit limit; pension reasonable benefit limit; standard contribution limit

Legislative Ref: ITAA 27A(20); ITAA 82AAC(2B); ITAA 82AAC(2E); ITAA 82AAT(2B); ITAA 140ZD(3);
ITAA 159SG

Case Ref:

ATO Ref: NAT 96/4342-7; BANTD41

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