TR 94/12W - Income tax: approved early retirement scheme and bona fide redundancy payments

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This document has changed over time. This is a consolidated version of the ruling which was published on *27 August 2008*

Notice of Withdrawal

Taxation Ruling

Income tax: approved early retirement scheme and bona fide redundancy payments

Taxation Ruling TR 94/12 is withdrawn with effect from today.

1. TR 94/12 outlines the requirements for an approved early retirement scheme payment under former section 27E of the *Income Tax Assessment Act 1936* (ITAA 1936) and the conditions for a payment to qualify as a bona fide redundancy payment under former section 27F of the ITAA 1936.

2. Taxation Ruling TR 2008/D6 issued today. It replaces TR 94/12 to the extent that it applies to bona fide redundancy payments. The draft ruling consolidates the Commissioner's views on the treatment of genuine redundancy payments under the income tax law. Genuine redundancy payments are the equivalent of bona fide redundancy payments in the *Income Tax Assessment Act 1997* (ITAA 1997). The draft ruling takes account of decisions in various cases that have considered the operation of section 27F of the ITAA 1936 since TR 94/12 was issued. It also reflects the rewrite of former section 27F and associated provisions in the ITAA 1936 in section 83-175 and associated provisions in the ITAA 1997. The new ITAA 1997 provisions took effect from 1 July 2007.

3. It is proposed that when TR 2008/D6 is issued as a final Ruling, it will apply both before and after its date of issue. To the extent that the views in TR 94/12 still apply, they have been incorporated in TR 2008/D6.

4. See paragraph 4 of TR 2008/D6 for the proposed application of that ruling, when finalised, to the relevant ITAA 1936 provisions.

5. Advice on early retirement scheme payments are now dealt with in section 83-180 of the ITAA 1997 is provided through the issue of Class Rulings.

Commissioner of Taxation
27 August 2008

ATO references
NO: 2006/20258
ISSN: 1039-0731
ATOlaw topic: Income Tax ~~ Assessable income ~~ eligible termination payments