

EXPOSURE DRAFT

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Inserts for

Treasury Laws Amendment (Measures for Consultation) Regulations 2023: Military superannuation benefits

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. Schedule 1	<p>The later of:</p> <ul style="list-style-type: none">(a) the start of the day after this instrument is registered; and(b) immediately after the commencement of Schedule 9 to the <i>Treasury Laws Amendment (2022 Measures No. 4) Act 2023</i>. <p>However, the provisions do not commence at all if the event mentioned in paragraph (b) does not occur.</p>	

EXPOSURE DRAFT

Schedule 1—Military superannuation benefits

Part 1—Components of a superannuation benefit

Income Tax Assessment (1997 Act) Regulations 2021

1 At the end of Subdivision 307-C

Add:

307-125.03 Components of certain military superannuation benefits

- (1) For the purposes of paragraph 307-125(4)(a) of the Act, subsection (3) specifies an alternative method for determining the components of a superannuation benefit covered by subsection (2).
- (2) For the purposes of subsection (1), this subsection covers a superannuation benefit if:
 - (a) the superannuation benefit is a lump sum that is a payment of invalidity pay, an invalidity pension or a pension mentioned in subparagraph 301-275(1)(b)(i), (ii) or (iii) of the Act; and
 - (b) the invalidity pay, invalidity pension or pension commenced at a time on or after 20 September 2007.
- (3) Determine the components, according to the following method:
 - (a) first, assume that:
 - (i) the superannuation benefit is a superannuation income stream benefit; and
 - (ii) the relevant *superannuation income stream commenced at the time mentioned in paragraph (2)(b);
 - (b) next, determine the components, making the assumptions mentioned in paragraph (a), in accordance with subsections 307-125(1), (2) and (3) of the Act.

Note: The components may be modified under sections 307-145 and 307-150 of the Act (see subsection 307-120(3) of the Act).

Part 2—Capped defined benefit income streams and the transfer balance cap

Income Tax Assessment (1997 Act) Regulations 2021

2 Subsection 294-130.01(1)

Omit “or (6)”, substitute “, (6) or (7)”.

3 At the end of section 294-130.01

Add:

- (7) This subsection applies to a superannuation income stream if it is a — superannuation income stream because of paragraph 307-70.02(1)(ba).

EXPOSURE DRAFT

Part 3—Cashing requirements

Superannuation Industry (Supervision) Regulations 1994

4 After paragraph 6.21(2)(a)

Insert:

- (aa) a series of payments, each of which is a payment of a superannuation lump sum mentioned in paragraph 301-275(1)(b) of the 1997 Tax Act;

Part 4—Application

Income Tax Assessment (1997 Act) Regulations 2021

5 In the appropriate position in Chapter 7

Insert:

Part 1000-4—Transitional matters relating to the Treasury Laws Amendment (Measures for Consultation) Regulations 2023

1000-4.01 Definitions

In this Part:

2021 commencement time means the commencement time (within the meaning of Part 1000-1).

amending instrument means the *Treasury Laws Amendment (Measures for Consultation) Regulations 2023*.

old regulations has the same meaning as in Part 1000-1.

1000-4.02 Application of amendments

- (1) The amendments made by Part 1 of Schedule 1 to the amending instrument apply in relation to income years starting on or after 1 July 2023.
- (2) The amendments made by Part 2 of Schedule 1 to the amending instrument apply in relation to income streams that commenced on or after the 2021 commencement time.
- (3) The amendments made by Part 2 of Schedule 1 to the amending instrument also apply in relation to income streams that commenced before the 2021 commencement time.

Superannuation Industry (Supervision) Regulations 1994

6 In the appropriate position in Part 14

Insert:

EXPOSURE DRAFT

Division 14.33—Transitional arrangements arising out of the Treasury Laws Amendment (Measures for Consultation) Regulations 2023

14.35 Arrangements

The amendments made by Part 3 of Schedule 1 to the *Treasury Laws Amendment (Measures for Consultation) Regulations 2023* apply in relation to superannuation lump sums paid on or after 1 July 2017.