



## **HELP FOR THE TERMINALLY ILL**

The Government announced on 11 September 2007 that lump sum superannuation benefits paid to members with a terminal illness will be exempt from tax.

However, this proposal is not yet law.

Nevertheless, at the time of the announcement the Assistant Treasurer also asked the Commissioner to consider changing the rate at which superannuation funds are required to withhold from payments to people in these situations in anticipation of these changes.

The good news is that the Commissioner of has introduced *temporary* measures to remove any unnecessary hardship for terminally ill superannuation funds members.

### **What are these temporary measures?**

The Commissioner has varied the rate of withholding (to “nil”) on all superannuation lump sum benefits paid to eligible terminally ill members of the fund.

The Commissioner has also removed the requirement for payers to give payment summaries to eligible terminally ill members when they receive a superannuation lump sum benefit.

### **When do these temporary measures take effect?**

These temporary measures take effect from 12 September 2007 and cease on 1 July 2008.

### **When will a member be taken to be terminally ill?**

You should be aware that a member of a super fund will be taken to be terminally ill:

- if two medical practitioners (at least one of whom is a specialist) certify that the member is suffering from an illness; and
- in the normal course this would result in death within a period of 12 months.

#### **TIP**

There are a number of eligibility factors that need to be taken into account in accessing this concession, so it's best get advice about any potential eligibility.

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