

BT Lifetime – Personal Super BT Lifetime – Flexible Pension

Flood levy

1 July 2011



What is changing?

The government has introduced a Temporary Flood and Cyclone Reconstruction Levy (flood levy) for 2011/2012 to help fund the rebuilding of essential infrastructure damaged by recent natural disasters.

How does it impact me?

The levy will apply to taxpayers that have a taxable income of more than \$50,000 in 2011/2012. This means the flood levy applies to superannuation lump sum and pension payments that are included in your taxable income.

How is the flood levy calculated?

If you are under age 60 when you receive a lump sum superannuation or pension payment in 2011/2012, a flood levy, calculated on the basis of the following table, may be withheld from the taxable component in addition to the current rates of withholding tax.

Taxable component of superannuation payment	Flood levy
Up to \$50,000	Nil
\$50,000 to \$100,000	0.5% of the taxable component exceeding \$50,000
Over \$100,000	1% of taxable component exceeding \$100,000 plus \$250 (being 0.5% of the taxable component between \$50,000 and \$100,000)

Do I have to pay the flood levy?

The flood levy will not apply to lump sum payments you receive in 2011/12 if:

- you are aged 60 or over;
- the taxable component of the payment is \$50,000 or less;
- you have not provided your Tax File Number (tax will be withheld at the top marginal rate: 46.5% for residents and 45% for non-residents);
- the total payment is less than \$200 and is your entire superannuation benefit;
- you receive the payment because you have a terminal medical condition; or
- the payment is a Departing Australia Superannuation Payment (DASP).

In addition, no flood levy will be payable for a superannuation lump sum payment paid as a result of the death of a member to a beneficiary who is a dependant for tax purposes.

Pension payments

If you are under age 60 and the total taxable component of income payments received from your pension in the 2011/12 financial year is more than \$50,000, flood levy of up to 1% may be withheld from the taxable component of your income payments in addition to the current rates of withholding tax.

Am I exempt?

You may be exempt from the flood levy if you have been affected by natural disaster in 2010/11. If you are exempt and do not want us to withhold the flood levy from your superannuation or pension payments in 2011/12, you will need to provide us with a completed flood levy exemption declaration form available on the ATO website. Contact us on 132 135 to obtain the appropriate address if you are sending through an exemption form.

For more details on flood levy exemptions including what you need to do if you are exempt, visit the website www.ato.gov.au



For more information

- **For more information on the flood levy, talk to your financial adviser or contact the BT Contact Centre on 132 135 between 8.00am–6.30pm (Monday to Friday, Sydney time).**

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