

Flood Levy on lump sum superannuation payments from 1 July 2011

JULY 2011

The below information is relevant to the following products:

- ANZ OneAnswer Personal Super
- ANZ Super Advantage
- ANZ Personal Superannuation Bond
- ANZ Superannuation Savings Account.

On 12 April 2011, Federal Government legislation was passed to introduce a Temporary Flood and Cyclone Reconstruction Levy ('flood levy') for the 2011/12 financial year to assist affected communities to recover and rebuild essential infrastructure following the recent natural disasters.

What does this mean for members receiving lump sum super payments from 1 July 2011?

For ANZ OneAnswer Personal Super, ANZ Super Advantage and ANZ Personal Superannuation Bond:

No withholding tax for the flood levy will occur on payments we make to you and the ATO may request you to pay extra income tax to cover the flood levy.

For ANZ Superannuation Savings Account:

Withholding tax for the flood levy will occur on payments we make to you.

Your flood levy payment is worked out based on your taxable income for the 2011/12 financial year, using the tax rates that apply to you.

You may be required to pay the flood levy if:

- you are under 60 years of age at the date of your payment,
- your taxable income for the 2011/12 financial year exceeds \$50,000, and
- you do not have an exemption from the ATO.

You may be exempt from paying the flood levy if:

- you were a recipient of the Australian Government Disaster Recovery Payment (Category 1),
- you were affected by a disaster declared under the Natural Disaster Relief and Recovery Arrangements (Category 2), or
- you are a New Zealand citizen holding a special category visa who is not eligible for the Australian Government Disaster Recovery Payment. (Category 3)

If you have received an Australian Government Disaster Recovery Payment or the New Zealander ex-gratia payment (category 1 or 3 exemption) and the ATO estimates that you earn more than \$50,000 they will send you a letter confirming your exemption status. For salary and wage earners, the letter contains a pre-populated flood levy exemption declaration to be completed and returned to the ATO.

If you do not receive a letter confirming that you are exempt from the flood levy and you believe that you are, a declaration can be downloaded from the ATO's website.

If you would like further information, please refer to the flood levy section of the ATO website at www.ato.gov.au/floodlevy

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