Social Services Legislation Amendment (Defined Benefit Income Streams) Act 2015

No. 107, 2015

An Act to amend the law relating to social security, and for related purposes

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No. 107, 2015

An Act to amend the law relating to social security, and for related purposes

[*Assented to 30 June 2015*]

The Parliament of Australia enacts:

1 Short title

 This Act may be cited as the *Social Services Legislation Amendment (Defined Benefit Income Streams) Act 2015.*

2 Commencement

 (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

| Commencement information |
| --- |
| Column 1 | Column 2 | Column 3 |
| Provisions | Commencement | Date/Details |
| 1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table | The day this Act receives the Royal Assent. | 30 June 2015 |
| 2. Schedule 1 | 1 January 2016. | 1 January 2016 |

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

 (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

 Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Defined benefit income streams

Social Security Act 1991

1 Subsection 9(1)

Insert:

***military defined benefit income stream*** means a defined benefit income stream provided under:

 (a) the scheme provided for by the *Defence Forces Retirement Benefits Act 1948*; or

 (b) the scheme provided for by the *Defence Force Retirement and Death Benefits Act 1973*; or

 (c) the superannuation scheme referred to in section 4 of the *Military Superannuation and Benefits Act 1991*; or

 (d) a superannuation scheme specified in an instrument under subsection (2).

2 After subsection 9(1F)

Insert:

 (2) The Secretary may, by legislative instrument, specify superannuation schemes for the purposes of paragraph (d) of the definition of ***military defined benefit income stream*** in subsection (1).

3 Subsection 23(1)

Insert:

***military defined benefit income stream***: see subsection 9(1).

4 Section 1099A

Omit “If”, substitute “(1) Subject to subsection (2), if”.

5 At the end of section 1099A

Add:

Cap on deductible amount

 (2) If:

 (a) the defined benefit income stream is not a military defined benefit income stream; and

 (b) apart from this subsection, the deductible amount under subsection (1) in relation to the income stream for the year would exceed 10% of the amount payable to the person for the year under the income stream;

then that deductible amount is taken to be an amount equal to 10% of the amount payable to the person for the year under the income stream.

6 Section 1099D

Omit “If”, substitute “(1) Subject to subsection (2), if”.

7 At the end of section 1099D

Add:

Cap on deductible amount

 (2) If:

 (a) the defined benefit income stream is not a military defined benefit income stream; and

 (b) apart from this subsection, the deductible amount under subsection (1) in relation to the income stream for the year would exceed 10% of the amount payable to the person for the year under the income stream;

then that deductible amount is taken to be an amount equal to 10% of the amount payable to the person for the year under the income stream.

8 After subclause 136(3) of Schedule 1A

Insert:

 (3A) If:

 (a) this clause applies; and

 (b) an amount (the ***transitional amount***) is worked out under subclause (2) in relation to a defined benefit income stream for a year starting on or after 1 January 2016; and

 (c) that income stream is not a military defined benefit income stream; and

 (d) that amount is worked out in relation to the operation of section 1099A or 1099D;

then, for the purposes of the operation of paragraph 1099A(2)(b) or 1099D(2)(b), the transitional amount is taken to be the deductible amount under subsection 1099A(1) or 1099D(1) in relation to that income stream for that year.

Note: The effect of this subclause is that the cap on the deductible amount under subsection 1099A(2) or 1099D(2) might apply.

9 Application provision

The amendments made by this Schedule apply in relation to working out the ordinary income of a person in relation to days occurring on or after the commencement of this item (whether the defined benefit income stream began to be provided to the person before, on or after that commencement).

[*Minister’s second reading speech made in—*

*House of Representatives on 23 June 2015*

*Senate on 23 June 2015*]

(118/15)