

Income Tax Assessment Amendment (Employee Share Schemes) Regulation 2015

Select Legislative Instrument No. 63, 2015

I, General the Honourable Sir Peter Cosgrove AK MC (Ret’d), Governor‑General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following regulation.

Dated 30 April 2015

Peter Cosgrove

Governor‑General

By His Excellency’s Command

Bruce Billson

Minister for Small Business

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1 Name

This is the *Income Tax Assessment Amendment (Employee Share Schemes) Regulation 2015*.

2 Commencement

This instrument commences on 1 July 2015.

3 Authority

This instrument is made under the *Income Tax Assessment Act 1997.*

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Amendments

Income Tax Assessment Regulations 1997

1 Subregulation 83A‑315.01(1)

Omit “10 years”, substitute “15 years”.

2 Subregulation 83A‑315.08(1)

Repeal the subregulation, substitute:

(1) The following table sets out the Table 1 percentages for calculation percentages of 50% or more and less than 110%.

| Table 1—Table 1 percentages | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Calculation percentage 50% to 92.5% | | | | | | | |
| Exercise period (months) | Calculation percentage (%) | | | | | | |
| 50 to 60 | 60 to 70 | 70 to 75 | 75 to 80 | 80 to 85 | 85 to 90 | 90 to 92.5 |
| 168 to 180 | 0.5% | 1.3% | 2.6% | 3.5% | 4.6% | 5.8% | 7.1% |
| 156 to 168 | 0.4% | 1.2% | 2.5% | 3.4% | 4.4% | 5.7% | 7.1% |
| 144 to 156 | 0.4% | 1.0% | 2.3% | 3.2% | 4.3% | 5.5% | 7.0% |
| 132 to 144 | 0.3% | 0.9% | 2.2% | 3.0% | 4.1% | 5.4% | 6.8% |
| 120 to 132 | 0.2% | 0.8% | 2.0% | 2.8% | 3.9% | 5.2% | 6.6% |
| 108 to 120 | 0.2% | 0.7% | 1.8% | 2.6% | 3.7% | 4.9% | 6.4% |
| 96 to 108 | 0.1% | 0.6% | 1.6% | 2.4% | 3.4% | 4.6% | 6.1% |
| 84 to 96 | 0.1% | 0.4% | 1.3% | 2.1% | 3.0% | 4.3% | 5.8% |
| 72 to 84 | 0.1% | 0.3% | 1.1% | 1.7% | 2.7% | 3.9% | 5.4% |
| 60 to 72 | 0.0% | 0.2% | 0.8% | 1.4% | 2.2% | 3.4% | 4.9% |
| 48 to 60 | 0.0% | 0.1% | 0.5% | 1.0% | 1.7% | 2.8% | 4.2% |
| 36 to 48 | 0.0% | 0.0% | 0.3% | 0.6% | 1.2% | 2.1% | 3.4% |
| 24 to 36 | 0.0% | 0.0% | 0.1% | 0.3% | 0.6% | 1.3% | 2.4% |
| 18 to 24 | 0.0% | 0.0% | 0.0% | 0.1% | 0.3% | 0.9% | 1.8% |
| 12 to 18 | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.4% | 1.1% |
| 9 to 12 | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.2% | 0.8% |
| 6 to 9 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.4% |
| 3 to 6 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% |
| 0 to 3 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

| Calculation percentage 92.5% to less than 110% | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Exercise period (months) | Calculation percentage (%) | | | | | | |
| 92.5 to 95 | 95 to 97.5 | 97.5 to 100 | 100 to 102.5 | 102.5 to 105 | 105 to 107.5 | 107.5 to less than 110 |
| 168 to 180 | 7.9% | 8.6% | 9.4% | 10.3% | 11.2% | 12.2% | 13.3% |
| 156 to 168 | 7.8% | 8.6% | 9.4% | 10.3% | 11.2% | 12.2% | 13.3% |
| 144 to 156 | 7.7% | 8.5% | 9.4% | 10.3% | 11.2% | 12.2% | 13.3% |
| 132 to 144 | 7.6% | 8.4% | 9.3% | 10.2% | 11.2% | 12.2% | 13.3% |
| 120 to 132 | 7.5% | 8.3% | 9.2% | 10.2% | 11.2% | 12.2% | 13.3% |
| 108 to 120 | 7.2% | 8.1% | 9.1% | 10.0% | 11.1% | 12.1% | 13.3% |
| 96 to 108 | 7.0% | 7.9% | 8.8% | 9.8% | 10.9% | 12.0% | 13.2% |
| 84 to 96 | 6.6% | 7.6% | 8.5% | 9.6% | 10.7% | 11.8% | 13.0% |
| 72 to 84 | 6.2% | 7.2% | 8.2% | 9.2% | 10.4% | 11.6% | 12.8% |
| 60 to 72 | 5.7% | 6.7% | 7.7% | 8.8% | 9.9% | 11.2% | 12.5% |
| 48 to 60 | 5.1% | 6.0% | 7.0% | 8.2% | 9.4% | 10.7% | 12.1% |
| 36 to 48 | 4.2% | 5.2% | 6.2% | 7.4% | 8.6% | 10.0% | 11.4% |
| 24 to 36 | 3.2% | 4.1% | 5.1% | 6.3% | 7.6% | 9.0% | 10.5% |
| 18 to 24 | 2.5% | 3.4% | 4.4% | 5.5% | 6.8% | 8.3% | 9.9% |
| 12 to 18 | 1.7% | 2.5% | 3.4% | 4.6% | 6.0% | 7.5% | 9.2% |
| 9 to 12 | 1.3% | 2.0% | 2.9% | 4.0% | 5.4% | 7.0% | 8.8% |
| 6 to 9 | 0.8% | 1.4% | 2.2% | 3.3% | 4.7% | 6.4% | 8.3% |
| 3 to 6 | 0.3% | 0.6% | 1.3% | 2.4% | 3.8% | 5.7% | 7.8% |
| 0 to 3 | 0.0% | 0.1% | 0.5% | 1.4% | 3.0% | 5.1% | 7.5% |

3 At the end of subregulation 83A‑315.08(2)

Add:

Note: The following assumptions were used to work out the Table 1 percentages:

(a) a risk‑free interest rate of 4%;

(b) a dividend yield of 4%;

(c) volatility of 12%.

4 At the end of regulation 83A‑315.08

Add:

(3) If, in relation to a particular right:

(a) the exercise period; or

(b) the calculation percentage;

is the top of one range in Table 1 and is also the bottom of another range in the table, it is taken to be in the lower range and not in the higher range.

5 Subregulation 83A‑315.09(1)

Repeal the subregulation, substitute:

(1) The following table sets out the base percentages for calculation percentages of 110% or more.

| Table 2—Base percentages | | |
| --- | --- | --- |
| Exercise period (months) | Column 1 | Column 2 |
| 168 to 180 | 13.3% | 0.5% |
| 156 to 168 | 13.3% | 0.5% |
| 144 to 156 | 13.3% | 0.5% |
| 132 to 144 | 13.3% | 0.6% |
| 120 to 132 | 13.3% | 0.6% |
| 108 to 120 | 13.3% | 0.6% |
| 96 to 108 | 13.2% | 0.6% |
| 84 to 96 | 13.0% | 0.6% |
| 72 to 84 | 12.8% | 0.7% |
| 60 to 72 | 12.5% | 0.7% |
| 48 to 60 | 12.1% | 0.7% |
| 36 to 48 | 11.4% | 0.8% |
| 24 to 36 | 10.5% | 0.8% |
| 18 to 24 | 9.9% | 0.8% |
| 12 to 18 | 9.2% | 0.9% |
| 9 to 12 | 8.8% | 0.9% |
| 6 to 9 | 8.3% | 0.9% |
| 3 to 6 | 7.8% | 0.9% |
| 0 to 3 | 7.5% | 1.0% |

6 At the end of subregulation 83A‑315.09(2)

Add:

Note: The following assumptions were used to work out the base percentages:

(a) a risk‑free interest rate of 4%;

(b) a dividend yield of 4%;

(c) volatility of 12%.

7 Subregulation 83A‑315.09(6)

Repeal the subregulation, substitute:

(6) If the exercise period is the top of one range in Table 2 and is also the bottom of another range in the table, it is taken to be in the lower range and not in the higher range.