

# NEW TAX RULES FOR BERT CLAIMS

After a 3 year battle with the ATO, the BERT Fund has received a private ruling. This ruling will allow most workers that are terminated by their employer due to genuine redundancy to receive their BERT payment mainly tax free (providing they are below the Age Pension age).

**From 1 February 2023  
genuinely redundant claims will be tax free  
up to the maximum amount allowed by the ATO.**

**The tax free amount applied to BERT Claims is:**

**\$11,591 + (\$5,797 for each full completed year of service\*)**

*for redundancies in the 2022/2023 financial year*

Refer to the table on the following page

**Any amounts over the tax free amount will be taxed at:**

- **32%** if under the preservation age
- **17%** if over the preservation age

*\* Years of service calculated from first contribution into the Fund; or from the first contribution received after the member's last full claim*

## Genuine Redundancy

### What is

- You are under the Age Pension age;
- AND**
- You have been made genuinely redundant (Separation Certificate states: *Redundancy; Shortage of Work; or End of Season or Contract*)

### What is not

- You are over the Age Pension age
- You have not been made genuinely redundant (Separation Certificate states: *Unsuitability for this type of work*)
- You have been promoted to an off tool role and their BERT Contributions have ceased

**For full details and applicable tax rates go to**

**[www.bert.com.au](http://www.bert.com.au)**

# Genuine Redundancy

## The tax free amount applied to BERT Claims is:

**\$11,591 plus (\$5,797**  
for each completed year of service\*)

*for redundancies in the 2022/2023 financial year*

Refer to the table on the right

**Or your entire BERT Balance if it is below the tax free amount.**

**Any amounts over the tax free amount will be taxed at:**

- **32% if under the preservation age**
- **17% if over the preservation age**

\* Years of service is calculated from first contribution received into the BERT Fund; or from the first contribution received after the member's last full claim.

YEARS OF SERVICE	TAX FREE AMOUNT
Less than one year	\$11,591
1 year	\$17,388
2 years	\$23,185
3 years	\$28,982
4 years	\$34,779
5 years	\$40,576
6 years	\$46,373
7 years	\$52,170
8 years	\$57,967
9 years	\$63,764
10 years	\$69,561
11 years	\$75,358
12 years	\$81,155
13 years	\$86,952
14 years	\$92,749
15 years	\$98,546
16 years	\$104,343
17 years	\$110,140
18 years	\$115,937
19 years	\$121,734
20 years	\$127,531

Jim is aged 56 and was made redundant from XYZ Pty Ltd on 23 February 2023 due to shortage of work. XYZ Pty Ltd made Jim's first BERT contribution on 1 July 2016. Jim's current BERT Balance is \$35,404.

As Jim is under the Age Pension age and he was made redundant due to shortage of work he meets the requirements for a genuine redundancy payment which is tax free up to the amount based on his years of service.

Jim calculates his tax-free amount as follows:

$$\$11,591 + (\$5,797 \times 6^*) = \$46,373$$

\* Jim has completed 6 full years of service since his first contribution into the BERT Fund.

As Jim's entire BERT Balance (\$35,404) is under the calculated tax free amount (\$46,373), Jim will receive his redundancy payment tax free.

## Other claim type tax rules

### TERMINATED OTHER THAN GENUINE REDUNDANCY

- You have ceased employment due to unsuitability for work or member has been promoted to an off tools role.
- You may claim partial or full balance.
- 32% tax withheld\*; or 17% tax withheld\*\*

### RETIREMENT

- You have reached the preservation age.
- You must claim the full balance on retirement.
- 17% tax withheld

### FINANCIAL HARDSHIP

- You are experiencing financial hardship. Evidence of hardship is required.
- A partial claim will be made.
- 47% tax withheld

### LEAVING THE INDUSTRY LEAVING AUSTRALIA

- You have not worked in the industry for 52 weeks; or member is leaving Australia permanently.
- Member must claim their full balance.
- 47% tax withheld

\* under preservation age

\*\* over preservation age

NOTE: Terminations where the separation certificate states unsuitability for this type of work; unsatisfactory work performance, misconduct as an employee, or employee ceasing work voluntarily as the reason for separation are not claimable payments under the BERT Fund Trust Deed.