

EXPOSURE DRAFT

2019-2020

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

EXPOSURE DRAFT

Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Bill 2020

No. , 2020

(Social Services)

A Bill for an Act to amend the law relating to social security, family assistance, student assistance and veterans' entitlements, and for related purposes

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1 **A Bill for an Act to amend the law relating to social**
2 **security, family assistance, student assistance and**
3 **veterans' entitlements, and for related purposes**

4 The Parliament of Australia enacts:

5 **1 Short title**

6 This Act is the *Social Services and Other Legislation Amendment*
7 *(Simplifying Income Reporting and Other Measures) Act 2020*.

8 **2 Commencement**

9 (1) Each provision of this Act specified in column 1 of the table
10 commences, or is taken to have commenced, in accordance with

No. , 2020 Social Services and Other Legislation Amendment (Simplifying Income 1
Reporting and Other Measures) Bill 2020

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1 column 2 of the table. Any other statement in column 2 has effect
2 according to its terms.

3

Commencement information

Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this Act	As follows: (a) if this Act receives the Royal Assent before 15 May 2020—1 July 2020; (b) if this Act receives the Royal Assent on or after 15 May 2020—the first day of the first calendar month that occurs after the end of the period of 2 months beginning on the day this Act receives the Royal Assent.	

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

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

3 Schedules

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12 repealed as set out in the applicable items in the Schedule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

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Amendments **Schedule 1**
Simplifying income reporting **Part 1**

1 **Schedule 1—Amendments**

2 **Part 1—Simplifying income reporting**

3 *Social Security Act 1991*

4 **1 Paragraph 8(1A)(a)**

5 Omit “earned, derived or received, or that is taken to have been earned,
6 derived or received, by the person from remunerative work undertaken
7 by”, substitute “for remunerative work of”.

8 **2 Subparagraph 8(1A)(b)(i)**

9 Omit “that are so earned, derived or received or taken to have been so
10 earned, derived or received”.

11 **3 Paragraph 8(1B)(a)**

12 Repeal the paragraph, substitute:

13 (a) a person is treated, for the purposes of working out the
14 person’s ordinary income, as having ordinary income of the
15 person’s partner; and

16 **4 Paragraph 23(4A)(d)**

17 Omit “earns, derives or receives, or is taken to earn, derive or receive,
18 employment income”, substitute “has employment income”.

19 **5 After subsection 93H(2)**

20 Insert:

21 (2A) The annual pension rate is to be worked out under subsection (2)
22 by disregarding the amendments made by Part 1 of Schedule 1 to
23 the *Social Services and Other Legislation Amendment (Simplifying
24 Income Reporting and Other Measures) Act 2020*.

25 **6 Paragraph 1061Q(3C)(b)**

26 Omit “earns, derives or receives, or is taken to earn, derive or receive,
27 employment income”, substitute “has employment income”.

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Schedule 1 Amendments

Part 1 Simplifying income reporting

1 **7 Paragraph 1061Q(3F)(b)**

2 Omit “earns, derives or receives, or is taken to earn, derive or receive,
3 employment income”, substitute “has employment income”.

4 **8 Paragraph 1061Q(3G)(b)**

5 Omit “earns, derives or receives, or is taken to earn, derive or receive,
6 employment income”, substitute “has employment income”.

7 **9 Paragraph 1061ZEA(2)(e)**

8 Omit “earns, derives or receives, or is taken to earn, derive or receive,
9 employment income”, substitute “has employment income”.

10 **10 Paragraph 1061ZMA(2)(e)**

11 Omit “earns, derives or receives, or is taken to earn, derive or receive,
12 employment income”, substitute “has employment income”.

13 **11 Point 1067G-H23**

14 After “ordinary income”, insert “(except employment income)”.

15 **12 At the end of point 1067G-H23**

16 Add:

17 Note: See Division 1AA of Part 3.10 for the treatment of employment
18 income.

19 **13 After paragraph 1067G-H23A(c)**

20 Insert:
21 and (d) is not employment income;

22 **14 After subparagraph 1067G-H23B(b)(iii)**

23 Insert:
24 and (iv) is not employment income;

25 **15 Paragraph 1067G-H24(a)**

26 Omit “ordinary income payments”, substitute “payments of ordinary
27 income (except employment income)”.

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Amendments **Schedule 1**
Simplifying income reporting **Part 1**

1 **16 Point 1067L-D19**

2 After “ordinary income”, insert “(except employment income)”.

3 **17 At the end of point 1067L-D19**

4 Add:

5 Note: See Division 1AA of Part 3.10 for the treatment of employment
6 income.

7 **18 After paragraph 1067L-D20(c)**

8 Insert:

9 and (d) is not employment income;

10 **19 After subparagraph 1067L-D21(b)(iii)**

11 Insert:

12 and (iv) is not employment income;

13 **20 Paragraph 1067L-D23(a)**

14 Omit “ordinary income payments”, substitute “payments of ordinary
15 income (except employment income)”.

16 **21 Point 1068-G7A**

17 After “ordinary income”, insert “(except employment income)”.

18 **22 At the end of point 1068-G7A**

19 Add:

20 Note: See Division 1AA of Part 3.10 for the treatment of employment
21 income.

22 **23 After paragraph 1068-G7B(c)**

23 Insert:

24 and (d) is not employment income;

25 **24 After subparagraph 1068-G7C(b)(iii)**

26 Insert:

27 and (iv) is not employment income;

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Schedule 1 Amendments

Part 1 Simplifying income reporting

1 **25 Paragraph 1068-G8(a)**

2 Omit “ordinary income payments”, substitute “payments of ordinary
3 income (except employment income)”.

4 **26 Point 1068-G8 (example)**

5 Repeal the example.

6 **27 Point 1068B-D19**

7 After “ordinary income”, insert “(except employment income)”.

8 **28 Point 1068B-D19 (note)**

9 Omit “Note”, substitute “Note 1”.

10 **29 At the end of point 1068B-D19 (after the note)**

11 Add:

12 Note 2: See Division 1AA of Part 3.10 for the treatment of employment
13 income.

14 **30 Point 1068B-D20**

15 After “ordinary income”, insert “(except employment income)”.

16 **31 Subsection 1073AA(2) (examples 1 and 2)**

17 Omit “earns”, substitute “has”.

18 **32 Subsection 1073AA(4) (example)**

19 Omit “earns”, substitute “has”.

20 **33 Subsection 1073AA(4A) (example)**

21 Omit “earns”, substitute “has”.

22 **34 Paragraph 1073AA(4BA)(a)**

23 After “employment income”, insert “taken, in accordance with
24 Division 1AA, to have been received”.

25 **35 Subsection 1073AA(5)**

26 Repeal the subsection (not including the heading).

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Amendments **Schedule 1**
Simplifying income reporting **Part 1**

1 **36 Subsection 1073AB(2) (example)**

2 Omit “earns”, substitute “has”.

3 **37 Sections 1073A and 1073B**

4 Repeal the sections, substitute:

5 **1073A Attribution of employment income paid in respect of a**
6 **particular period or periods**

7 (1) This section applies if:

- 8 (a) a person is receiving a social security pension or a social
9 security benefit; and
10 (b) the person’s rate of payment of the pension or benefit is
11 worked out with regard to the income test module of a rate
12 calculator in this Chapter; and
13 (c) one or more amounts of employment income, each of which
14 is in respect of a particular period or periods (each period is
15 an *employment period*), are paid in an instalment period of
16 the person to or for the benefit of the person by the same
17 employer.

18 Note 1: If the person has multiple employers, this section applies separately in
19 relation to each employer.

20 Note 2: If a person is receiving a social security pension and is paid
21 employment income monthly, section 1073B may apply to that
22 income instead of this section.

23 Note 3: Section 1073BA deals with the payment of employment income that is
24 not in respect of a particular period.

25 (2) The person is taken to have received the employment income over
26 a period (the *assessment period*) that consists of the number of
27 days that is equal to the sum of the number of days in each
28 employment period, where the assessment period begins on the
29 first day of the instalment period in which the amounts of
30 employment income are paid.

31 Example: On 3 June a person is paid \$756 employment income for work the
32 person performed in the period beginning on 9 May and ending at the
33 end of 29 May. The number of days in the employment period is 21.

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Schedule 1 Amendments

Part 1 Simplifying income reporting

1 Assume the instalment period begins on 1 June. The person is taken to
2 have received the \$756 over the period beginning on 1 June and
3 ending at the end of 21 June (a period of 21 days).

4 (3) Subject to subsection (4), for each day in the assessment period,
5 the person is taken to have received an amount of employment
6 income worked out by dividing the total amount of the
7 employment income covered by paragraph (1)(c) by the number of
8 days in the assessment period.

9 Example: To continue the example in subsection (2), the person is taken to have
10 received \$36 ($\$756/21$) on each of the days in the period beginning on
11 1 June and ending at the end of 21 June.

12 (4) If the person is taken, under subsection (3), to have received
13 employment income (the *attributed employment income*) during a
14 part, but not the whole, of a particular instalment period, the person
15 is taken to receive on each day in that instalment period an amount
16 of employment income worked out by dividing the total amount of
17 the attributed employment income by the number of days in the
18 instalment period.

19 Example: To continue the example in subsection (2), for the instalment period
20 beginning on 15 June and ending at the end of 28 June the person is
21 taken, under subsection (3), to have received employment income
22 during a part of that instalment period (15 June to 21 June). The
23 person is taken to have received \$252 ($\36×7).

24 Under subsection (4), the person is taken to receive on each day in that
25 instalment period an amount of employment income of \$18 ($\$252/14$).

26 *Interpretation*

27 (5) This section applies in relation to an amount of employment
28 income paid on a day in an instalment period, whether or not the
29 amount is received on that day.

30 (6) In applying subsection (2) in relation to one or more amounts of
31 employment income paid by a particular employer in an instalment
32 period, in working out the sum of the number of days in each
33 employment period, if a day in an employment period overlaps
34 with a day in another employment period, that day must only be
35 counted once.

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Amendments **Schedule 1**
Simplifying income reporting **Part 1**

1073B Attribution of employment income paid monthly

- (1) This section applies if:
- (a) a person is receiving a social security pension; and
 - (b) the person's rate of payment of the pension is worked out with regard to the income test module of a rate calculator in this Chapter; and
 - (c) an amount (the *initial amount*) of employment income, in respect of a period of 1 month, is paid on a day in a calendar month (the *initial calendar month*) to or for the benefit of the person by the person's employer; and
 - (d) the Secretary is satisfied that, for the reasonably foreseeable future, an amount of employment income, in respect of a period of 1 month, equal to the initial amount will be paid to or for the benefit of the person by that employer on the following:
 - (i) the corresponding day in each calendar month (a *later calendar month*) after the initial calendar month;
 - (ii) if there is no such day in a later calendar month—the last day of the later calendar month.

Note: If the person has multiple employers, this section applies separately in relation to each employer.

- (2) Subject to this section, for the day on which the initial amount is paid and for each day after that day, the person is taken to have received an amount of employment income worked out as follows:

$$\frac{\text{Initial amount} \times 12}{364}$$

- (3) If, after the day on which the initial amount is paid, the Secretary ceases to be satisfied as mentioned in paragraph (1)(d) in relation to the person and the person's employer, then subsection (2) ceases to apply in relation to the person and the person's employer at the end of the period of 1 month beginning on the last payment day.
- (4) For the purposes of this section, a *payment day* is:
- (a) the day in the calendar month on which the initial amount is paid by the person's employer; or

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Schedule 1 Amendments

Part 1 Simplifying income reporting

- 1 (b) the following on which an amount of employment income
2 equal to the initial amount is paid to or for the benefit of the
3 person by that employer:
4 (i) a corresponding day in a later calendar month;
5 (ii) if there is no such day in a later calendar month—the
6 last day of the later calendar month.
- 7 (5) If the person is taken, under this section, to have received
8 employment income (the *attributed employment income*) during a
9 part, but not the whole, of a particular instalment period, the person
10 is taken to receive on each day in that instalment period an amount
11 of employment income worked out by dividing the total amount of
12 the attributed employment income by the number of days in the
13 instalment period.
- 14 (6) Section 1073A does not apply to an amount of employment income
15 covered by paragraph (4)(a) or (b).

16 *Interpretation*

- 17 (7) This section applies in relation to an amount of employment
18 income paid on a day in a calendar month, whether or not the
19 amount is received on that day.
- 20 (8) Subsection (3) does not prevent a later application of this section in
21 relation to the person, whether in connection with the same
22 employer or another employer.

23 **1073BA Attribution of employment income paid not in respect of a** 24 **particular period**

- 25 (1) This section applies if:
26 (a) a person is receiving a social security pension or a social
27 security benefit; and
28 (b) the person's rate of payment of the pension or benefit is
29 worked out with regard to the income test module of a rate
30 calculator in this Chapter; and
31 (c) an amount of employment income is paid on a day to or for
32 the benefit of the person; and

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- 1 (d) the employment income is not in respect of a particular
2 period.
- 3 (2) The person is taken to have received that employment income over
4 such period, not exceeding 52 weeks, as the Secretary determines.
- 5 (3) The period determined by the Secretary must begin on the first day
6 of the instalment period in which the amount of employment
7 income is paid.
- 8 (4) Subject to subsection (5), for each day in the period determined by
9 the Secretary, the person is taken to have received an amount of
10 employment income worked out by dividing the amount of
11 employment income covered by paragraph (1)(c) by the number of
12 days in that period.
- 13 (5) If the person is taken, under subsection (4), to have received
14 employment income (the *attributed employment income*) during a
15 part, but not the whole, of a particular instalment period, the person
16 is taken to receive on each day in that instalment period an amount
17 of employment income worked out by dividing the total amount of
18 the attributed employment income by the number of days in the
19 instalment period.

20 *Interpretation*

- 21 (6) This section applies in relation to an amount of employment
22 income paid on a day, whether or not the amount is received on
23 that day.

24 **1073BB Anti-avoidance**

- 25 (1) This section applies if:
- 26 (a) a person (the *relevant person*) is receiving a social security
27 pension or a social security benefit; and
- 28 (b) the relevant person earns or derives employment income
29 during the whole or a part of an instalment period of the
30 person; and
- 31 (c) one or more entities (who may be, or may include, the
32 relevant person) enter into, commence to carry out, or carry

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- 1 out, a scheme to defer the payment of that employment
2 income; and
- 3 (d) it would be concluded that the entity, or any of the entities,
4 who entered into, commenced to carry out, or carried out, the
5 scheme did so for the sole or dominant purpose of obtaining a
6 social security advantage for a person (who may be the
7 relevant person or may be the entity or one of the entities).
- 8 (2) The Secretary may determine that the relevant person is taken to
9 have received an amount of employment income, equal to the
10 amount of employment income referred to in paragraph (1)(b),
11 over the period determined by the Secretary.
- 12 (3) The period determined by the Secretary must begin on the first day
13 of the instalment period referred to in paragraph (1)(b).
- 14 (4) Subject to subsection (5), for each day in the period determined by
15 the Secretary, the relevant person is taken to have received an
16 amount of employment income worked out by dividing the total
17 amount of the employment income referred to in paragraph (1)(b)
18 by the number of days in that period.
- 19 (5) If the relevant person is taken, under subsection (4), to have
20 received employment income (the *attributed employment income*)
21 during a part, but not the whole, of a particular instalment period,
22 the relevant person is taken to receive on each day in that
23 instalment period an amount of employment income worked out by
24 dividing the total amount of the attributed employment income by
25 the number of days in the instalment period.
- 26 (6) Sections 1073A, 1073B and 1073BA do not apply in relation to the
27 payment of the employment income referred to in paragraph (1)(b).
- 28 (7) A determination under subsection (2) has effect accordingly.
- 29 *Obtaining a social security advantage*
- 30 (8) For the purposes of this section, an entity has a purpose of
31 obtaining a social security advantage for a person (who may be the
32 entity) if the entity has a purpose of:
33 (a) enabling the person to obtain any of the following:
-

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Amendments **Schedule 1**
Simplifying income reporting **Part 1**

- 1 (i) a social security pension;
2 (ii) a social security benefit;
3 (iii) a service pension;
4 (iv) income support supplement;
5 (v) a veteran payment;
6 (vi) a payment under the ABSTUDY Scheme; or
7 (b) enabling the person to obtain any of the following at a higher
8 rate than would otherwise have been payable:
9 (i) a social security pension;
10 (ii) a social security benefit;
11 (iii) a service pension;
12 (iv) income support supplement;
13 (v) a veteran payment;
14 (vi) a payment under the ABSTUDY Scheme.

15 *Definitions*

16 (9) In this section:

17 *entity* means any of the following:

- 18 (a) an individual;
19 (b) a company within the meaning of the *Income Tax Assessment*
20 *Act 1997*;
21 (c) a trust;
22 (d) a partnership within the meaning of the *Income Tax*
23 *Assessment Act 1997*;
24 (e) any other unincorporated association or body of persons;
25 (f) a corporation sole;
26 (g) a body politic.

27 *scheme* means:

- 28 (a) any agreement, arrangement, understanding, promise or
29 undertaking, whether express or implied and whether or not
30 enforceable, or intended to be enforceable, by legal
31 proceedings; or

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Schedule 1 Amendments

Part 1 Simplifying income reporting

- 1 (b) any scheme, plan, proposal, action, course of action or course
2 of conduct, whether there are 2 or more parties or only one
3 party involved.

4 **1073BC Exclusion of certain payments**

5 Sections 1073A, 1073B, 1073BA and 1073BB do not apply in
6 relation to the following:

- 7 (a) a payment in respect of which a person is taken to have
8 received ordinary income for a period under point 1064-F4,
9 1066A-G4, 1067G-H11, 1067L-D5, 1068-G7AG, 1068A-E3
10 or 1068B-D9;
11 (b) a payment in respect of which a person is taken to receive an
12 amount under point 1064-F10, 1066A-G10, 1067G-H15,
13 1067L-D11 or 1068-G7AL;
14 (c) an amount that a person's ordinary income is taken to include
15 under point 1067G-H5 or 1068-G7AA.

16 **1073BD Daily attribution of employment income for amounts not** 17 **elsewhere covered in this Division**

18 If:

- 19 (a) a person is receiving a social security pension or a social
20 security benefit; and
21 (b) the person's rate of payment of the pension or benefit is
22 worked out with regard to the income test module of a rate
23 calculator in this Chapter; and
24 (c) the person is taken, under a provision of this Act (except
25 section 1073A, 1073B, 1073BA or 1073BB), to receive
26 employment income during the whole or a part of a particular
27 instalment period of the person;

28 the person is taken to receive, on each day in that instalment
29 period, an amount of employment income worked out by dividing
30 the total amount of the employment income referred to in
31 paragraph (c) by the number of days in the instalment period.

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Amendments **Schedule 1**
Simplifying income reporting **Part 1**

1 **38 Section 1073C**

2 Omit “section 1073B, a person is taken to earn, derive or receive”,
3 substitute “section 1073A, 1073B, 1073BA, 1073BB or 1073BD, a
4 person is taken to receive”.

5 **39 Section 1073F (method statement, step 1)**

6 Repeal the step, substitute:

7 **Step 1.** Work out the amount (including a nil amount) of the
8 participant’s employment income taken, in accordance
9 with Division 1AA, to have been received on that day.

10 **40 Section 1073H (method statement, step 1)**

11 Repeal the step, substitute:

12 **Step 1.** Work out the amount (including a nil amount) of the
13 participant’s employment income taken, in accordance
14 with Division 1AA, to have been received on that day.

15 **41 Subparagraph 1073J(b)(i)**

16 Omit “earn, derive or receive, or to be taken to earn, derive or receive”,
17 substitute “be taken, under a provision of this Act, to receive”.

18 **42 Subparagraph 1073J(b)(ii)**

19 Omit “earned, derived or received, or taken to be earned, derived or
20 received”, substitute “taken, under a provision of this Act, to be
21 received”.

22 ***Social Security (Administration) Act 1999***

23 **43 Paragraph 96(3)(a)**

24 Omit “the income, or increased income, earned by the person from his
25 or her employment”, substitute “employment income of the person”.

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Schedule 1 Amendments

Part 1 Simplifying income reporting

1 **44 Paragraph 96(3)(b)**

2 Omit “income or increased income”, substitute “employment income”.

3 **45 Paragraph 97(3)(a)**

4 Omit “the income, or increased income, earned by the person from his
5 or her employment”, substitute “employment income of the person”.

6 **46 Paragraph 97(3)(b)**

7 Omit “income earned by the person from his or her employment”,
8 substitute “employment income of the person”.

9 **47 Paragraph 97B(1)(a)**

10 Omit “the income, or increased income, earned by the person from his
11 or her employment”, substitute “employment income of the person”.

12 **48 Paragraph 97B(1)(b)**

13 Omit “income or increased income”, substitute “employment income”.

14 **49 Paragraph 97B(1)(d)**

15 Omit “income the person earned from his or her employment”,
16 substitute “employment income of the person”.

17 **50 Subparagraph 110(1A)(b)(i)**

18 Omit “employment income that is earned, derived or received, or that is
19 taken to have been earned, derived or received, by the person”,
20 substitute “the person’s employment income taken, in accordance with
21 Division 1AA of Part 3.10 of the 1991 Act, to have been received by the
22 person”.

23 **51 Subparagraph 110(1A)(b)(ii)**

24 Omit “ceased to earn, derive or receive, or to be taken to earn, derive or
25 receive, employment income”, substitute “ceased to be taken, in
26 accordance with that Division, to have received employment income”.

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Amendments **Schedule 1**
Simplifying income reporting **Part 1**

1 **52 Subparagraph 110(2A)(b)(i)**

2 Omit “employment income that is earned, derived or received, or that is
3 taken to have been earned, derived or received, by the person”,
4 substitute “the person’s employment income taken, in accordance with
5 Division 1AA of Part 3.10 of the 1991 Act, to have been received by the
6 person”.

7 **53 Subparagraph 110(2A)(b)(ii)**

8 Omit “ceased to earn, derive or receive, or to be taken to earn, derive or
9 receive, employment income”, substitute “ceased to be taken, in
10 accordance with that Division, to have received employment income”.

11 **54 Subparagraph 110(3A)(g)(i)**

12 Omit “employment income that is earned, derived or received, or that is
13 taken to have been earned, derived or received, by the partner”,
14 substitute “the partner’s employment income taken, in accordance with
15 Division 1AA of Part 3.10 of the 1991 Act, to have been received by the
16 partner”.

17 **55 Subparagraph 110(3A)(g)(ii)**

18 Omit “ceased to earn, derive or receive, or to be taken to earn, derive or
19 receive, employment income”, substitute “ceased to be taken, in
20 accordance with that Division, to have received employment income”.

21 **56 Paragraph 118(2A)(b)**

22 Omit “earns, derives or receives, or is taken to earn, derive or receive,”,
23 substitute “is taken, in accordance with Division 1AA of Part 3.10 of
24 the 1991 Act, to have received”.

25 **57 Subparagraph 118(2B)(b)(ii)**

26 Omit “earns, derives or receives, or is taken to earn, derive or receive,”,
27 substitute “is taken, in accordance with Division 1AA of Part 3.10 of
28 the 1991 Act, to have received”.

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Schedule 1 Amendments

Part 1 Simplifying income reporting

1 **58 Paragraph 118(5A)(b)**

2 Omit “earns, derives or receives, or is taken to earn, derive or receive,”
3 substitute “is taken, in accordance with Division 1AA of Part 3.10 of
4 the 1991 Act, to have received”.

5 **59 Subparagraph 118(5B)(b)(ii)**

6 Omit “earns, derives or receives, or is taken to earn, derive or receive,”
7 substitute “is taken, in accordance with Division 1AA of Part 3.10 of
8 the 1991 Act, to have received”.

9 **60 Paragraph 118(6A)(g)**

10 Omit “earns, derives or receives, or is taken to earn, derive or receive,”
11 substitute “is taken, in accordance with Division 1AA of Part 3.10 of
12 the 1991 Act, to have received”.

13 **61 Subparagraph 118(6B)(g)(ii)**

14 Omit “earns, derives or receives, or is taken to earn, derive or receive,”
15 substitute “is taken, in accordance with Division 1AA of Part 3.10 of
16 the 1991 Act, to have received”.

17 ***Veterans’ Entitlements Act 1986***

18 **62 Section 45UF**

19 Before “For the purposes of”, insert “(1)”.

20 **63 At the end of section 45UF**

21 Add:

22 (2) The annual pension rate is to be worked out under subsection (1)
23 by disregarding the amendments made by Part 1 of Schedule 1 to
24 the *Social Services and Other Legislation Amendment (Simplifying*
25 *Income Reporting and Other Measures) Act 2020*.

26 **64 Subsection 46AA(2) (examples 1 and 2)**

27 Omit “earns”, substitute “has”.

EXPOSURE DRAFT

Amendments **Schedule 1**
Simplifying income reporting **Part 1**

1 **65 Subsection 46AA(4) (example)**

2 Omit “earns”, substitute “has”.

3 **66 Subsection 46AA(4A) (example)**

4 Omit “earns”, substitute “has”.

5 **67 Paragraph 46AA(4BA)(a)**

6 Omit “for”, substitute “received in”.

7 **68 Paragraph 46AB(1)(a)**

8 Omit “earned, derived or received, or that is taken to have been earned,
9 derived or received, by the person from remunerative work undertaken
10 by”, substitute “for remunerative work of”.

11 **69 Subparagraph 46AB(1)(b)(i)**

12 Omit “that are so earned, derived or received or taken to have been so
13 earned, derived or received”.

14 **70 Subsection 46AC(2) (example)**

15 Omit “earns”, substitute “has”.

16 **71 Subsection 46AD(3) (example)**

17 Omit “earns”, substitute “has”.

18 **72 Application and saving provisions—social security
19 legislation**

20 (1) The amendments made by items 4, 6 to 11, 15, 16, 20, 21, 25, 27, 30,
21 34, 35, 37 (to the extent that it substitutes sections 1073A, 1073B and
22 1073BA of the *Social Security Act 1991*) and 38 to 42 apply in relation
23 to an amount of employment income paid to or for the benefit of a
24 person:

- 25 (a) on or after the commencement of this item; and
26 (b) if the person has a transitional instalment period—after the
27 beginning of that period and before this item commences.

28 (2) Subitem (1) does not apply in relation to an amount of employment
29 income to the extent that the amount:

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Schedule 1 Amendments

Part 1 Simplifying income reporting

- 1 (a) was earned or derived before the commencement of this item;
2 and
3 (b) has been taken into account in working out the person's rate
4 of social security pension or social security benefit.
- 5 (3) Subitem (1) does not apply in relation to a lump sum amount paid to a
6 person, or a partner of a person, after the beginning of a transitional
7 instalment period of the person and before this item commences, where
8 the lump sum amount is covered by point 1067G-H23A, 1067G-H23B,
9 1067L-D20, 1067L-D21, 1068-G7B or 1068-G7C of the *Social Security*
10 *Act 1991*.
- 11 (4) Subitem (1) does not apply in relation to a lump sum amount of
12 employment income in respect of which paragraphs 1073A(1)(a) and
13 (b) of the *Social Security Act 1991* are satisfied before the
14 commencement of this item. Section 1073A of that Act, as in force
15 immediately before that commencement, continues to apply in relation
16 to that amount on and after that commencement.
- 17 (5) The amendments made by items 13, 14, 18, 19, 23 and 24 apply in
18 relation to a lump sum amount that is paid on or after the
19 commencement of this item.
- 20 (6) Section 1073BB of the *Social Security Act 1991*, as substituted by this
21 Part, applies in relation to an amount of employment income referred to
22 in paragraph 1073BB(1)(b) of that Act that is earned or derived on or
23 after the commencement of this item, whether:
24 (a) the instalment period referred to in that paragraph begins
25 before, on or after that commencement; or
26 (b) the scheme was entered into, or commenced to be carried out,
27 before, on or after that commencement.
- 28 (7) Paragraph 1073BD(c) of the *Social Security Act 1991*, as substituted by
29 this Part, applies in relation to an amount of employment income that,
30 on or after the commencement of this item, a person is taken to receive,
31 whether the instalment period referred to in that paragraph begins
32 before, on or after that commencement.
- 33 (8) The amendments of sections 96, 97 and 97B of the *Social Security*
34 *(Administration) Act 1999* made by this Part apply in relation to an

EXPOSURE DRAFT

Amendments **Schedule 1**
Simplifying income reporting **Part 1**

1 amount of employment income paid on or after the commencement of
2 this item.

3 (9) Sections 96, 97 and 97B of the *Social Security (Administration) Act*
4 *1999*, as in force immediately before the commencement of this item,
5 continue to apply on and after that commencement in relation to
6 income, or increased income, earned by a person before that
7 commencement from the person's employment.

8 (10) The amendments of sections 110 and 118 of the *Social Security*
9 *(Administration) Act 1999* made by this Part apply in relation to:

- 10 (a) an instalment period of a person that begins on or after the
11 commencement of this item; and
12 (b) a transitional instalment period of a person.

13 (11) In this item:

14 *transitional instalment period*, of a person, means an instalment period
15 that begins before the day on which this item commences and includes
16 that day.

17 **73 Application provision—veterans' entitlements legislation**

18 The amendment made by item 67 applies in respect of a pension period
19 that includes the day on which this item commences and later pension
20 periods.

EXPOSURE DRAFT

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Schedule 1 Amendments

Part 2 Exchange of information relating to taxation information

1 **Part 2—Exchange of information relating to taxation**
2 **information**

3 *A New Tax System (Family Assistance) (Administration) Act*
4 *1999*

5 **74 After section 161**

6 Insert:

7 **161A Definitions**

8 In this Division:

9 *taxation information* means information (including protected
10 information within the meaning of subsection 355-30(1) in
11 Schedule 1 to the *Taxation Administration Act 1953* but not
12 including a tax file number) that is held by a taxation officer.

13 *taxation officer* means the following:

14 (a) a person who is a taxation officer within the meaning of
15 subsection 355-30(2) in Schedule 1 to the *Taxation*
16 *Administration Act 1953*;

17 (b) an entity covered by section 355-15 in that Schedule.

18 **75 Section 162 (heading)**

19 Repeal the heading, substitute:

20 **162 Permitted obtaining of, making a record of, disclosure of or use**
21 **of protected information**

22 **76 At the end of subsection 162(1)**

23 Add:

24 Note: For an example of obtaining protected information for the purposes of
25 the family assistance law, see section 162A.

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Amendments **Schedule 1**

Exchange of information relating to taxation information **Part 2**

1 **77 At the end of subsection 162(2)**

2 Add:

3 Note: For an example of a disclosure of, making a record of or the use of
4 protected information for the purposes of the family assistance law,
5 see section 162A.

6 **78 After section 162**

7 Insert:

8 **162A Obtaining of, making a record of, disclosure of or use of**
9 **protected information relating to taxation information**

10 *Disclosure to taxation officers for matching against taxation*
11 *information*

12 (1) A disclosure of protected information by an officer is made for the
13 purposes of the family assistance law if:

- 14 (a) the disclosure is to a taxation officer; and
15 (b) the disclosure is for the purposes of a taxation officer
16 matching that information against taxation information to
17 facilitate the performance of functions, or the exercise of
18 powers, under the family assistance law.

19 (2) The obtaining of, making of a record of or the use of protected
20 information by an officer is for the purposes of the family
21 assistance law if the obtaining of, making of the record of or the
22 use of the protected information is in connection with a disclosure
23 referred to in subsection (1).

24 *Authorised collection of personal information that is taxation*
25 *information*

26 (3) The collection of personal information about a person is authorised
27 by this Act for the purposes of the *Privacy Act 1988* if:

- 28 (a) the personal information is taxation information; and
29 (b) the collection is from a taxation officer; and
30 (c) the collection is for the purposes of the family assistance law.

EXPOSURE DRAFT

Schedule 1 Amendments

Part 2 Exchange of information relating to taxation information

1 *Obtaining of taxation information*

2 (4) If an officer obtains personal information about a person in the
3 circumstances referred to in subsection (3), then the officer has
4 obtained the information under the family assistance law.

5 *Interpretation*

6 (5) This section does not limit section 162.

7 **79 Section 163 (heading)**

8 Repeal the heading, substitute:

9 **163 Offence—unauthorised obtaining of protected information**

10 **80 Section 164 (heading)**

11 Repeal the heading, substitute:

12 **164 Offence—unauthorised making a record of, disclosure of or use**
13 **of protected information**

14 **81 Subsection 223(1)**

15 After “for which the Secretary”, insert “or any other officer”.

16 **82 At the end of subsection 223(1)**

17 Add:

18 Note: The definition of *decision* in subsection 3(1) covers the doing of any
19 act or thing. This means, for example, that the doing of things under
20 subsection 162(1) or (2) are decisions for the purposes of this section.

21 ***Social Security (Administration) Act 1999***

22 **83 Subsection 6A(1)**

23 After “for which the Secretary”, insert “or any other officer”.

24 **84 At the end of subsection 6A(1)**

25 Add:

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Schedule 1 Amendments

Part 2 Exchange of information relating to taxation information

1 Note: For an example of a disclosure of, making a record of or the use of
2 protected information for the purposes of the social security law, see
3 section 202A.

4 **90 After section 202**

5 Insert:

6 **202A Obtaining of, making a record of, disclosure of or use of** 7 **protected information relating to taxation information**

8 *Disclosure to taxation officers for matching against taxation*
9 *information*

- 10 (1) A disclosure of protected information by an officer is made for the
11 purposes of the social security law if:
12 (a) the disclosure is to a taxation officer; and
13 (b) the disclosure is for the purposes of a taxation officer
14 matching that information against taxation information to
15 facilitate the performance of functions, or the exercise of
16 powers, under the social security law.
- 17 (2) The obtaining of, making of a record of or the use of protected
18 information by an officer is for the purposes of the social security
19 law if the obtaining of, making of the record of or the use of the
20 protected information is in connection with a disclosure referred to
21 in subsection (1).

22 *Authorised collection of personal information that is taxation*
23 *information*

- 24 (3) The collection of personal information about a person is authorised
25 by this Act for the purposes of the *Privacy Act 1988* if:
26 (a) the personal information is taxation information; and
27 (b) the collection is from a taxation officer; and
28 (c) the collection is for the purposes of the social security law.

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Amendments **Schedule 1**
Exchange of information relating to taxation information **Part 2**

1 *Obtaining of taxation information*

2 (4) If an officer obtains personal information about a person in the
3 circumstances referred to in subsection (3), then the officer has
4 obtained the information under the social security law.

5 *Interpretation*

6 (5) This section does not limit section 202.

7 **91 Section 203 (heading)**

8 Repeal the heading, substitute:

9 **203 Offence—unauthorised obtaining of protected information**

10 **92 Section 204 (heading)**

11 Repeal the heading, substitute:

12 **204 Offence—unauthorised making a record of, disclosure of or use**
13 **of protected information**

14 *Student Assistance Act 1973*

15 **93 After section 350**

16 Insert:

17 **350A Definitions**

18 In this Division:

19 *taxation information* means information (including protected
20 information within the meaning of subsection 355-30(1) in
21 Schedule 1 to the *Taxation Administration Act 1953* but not
22 including a tax file number) that is held by a taxation officer.

23 *taxation officer* means the following:

24 (a) a person who is a taxation officer within the meaning of
25 subsection 355-30(2) in Schedule 1 to the *Taxation*
26 *Administration Act 1953*;

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Schedule 1 Amendments

Part 2 Exchange of information relating to taxation information

1 (b) an entity covered by section 355-15 in that Schedule.

2 **94 Section 351 (heading)**

3 Repeal the heading, substitute:

4 **351 Permitted obtaining of, making a record of, disclosure of or use**
5 **of protected information**

6 **95 At the end of subsection 351(1) (before the note)**

7 Add:

8 Note 1: For an example of obtaining protected information for the purposes of
9 this Act (including the purposes of the administration of the
10 ABSTUDY scheme), see section 351A.

11 **96 Subsection 351(1) (note)**

12 Omit “Note”, substitute “Note 2”.

13 **97 Subsection 351(2) (heading)**

14 Repeal the heading, substitute:

15 *Making a record of, disclosure of or use of protected information*

16 **98 At the end of subsection 351(2) (before the note)**

17 Add:

18 Note 1: For an example of a disclosure of, making a record of or the use of
19 protected information for the purposes of this Act (including the
20 purposes of the administration of the ABSTUDY scheme), see
21 section 351A.

22 **99 Subsection 351(2) (note)**

23 Omit “Note”, substitute “Note 2”.

24 **100 After section 351**

25 Insert:

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Amendments **Schedule 1**

Exchange of information relating to taxation information **Part 2**

1 **351A Obtaining of, making a record of, disclosure of or use of**
2 **protected information relating to taxation information**

3 *Disclosure to taxation officers for matching against taxation*
4 *information*

- 5 (1) A disclosure of protected information by an officer is made for the
6 purposes of this Act (including the purposes of the administration
7 of the ABSTUDY scheme) if:
8 (a) the disclosure is to a taxation officer; and
9 (b) the disclosure is for the purposes of a taxation officer
10 matching that information against taxation information to
11 facilitate the performance of functions, or the exercise of
12 powers, under this Act or the ABSTUDY scheme.
- 13 (2) The obtaining of, making of a record of or the use of protected
14 information by an officer is for the purposes of this Act (including
15 the purposes of the administration of the ABSTUDY scheme) if the
16 obtaining of, making of the record of or the use of the protected
17 information is in connection with a disclosure referred to in
18 subsection (1).

19 *Authorised collection of personal information that is taxation*
20 *information*

- 21 (3) The collection of personal information about a person is authorised
22 by this Act for the purposes of the *Privacy Act 1988* if:
23 (a) the personal information is taxation information; and
24 (b) the collection is from a taxation officer; and
25 (c) the collection is for the purposes of this Act (including the
26 purposes of the administration of the ABSTUDY scheme).

27 *Interpretation*

- 28 (4) This section does not limit section 351.

EXPOSURE DRAFT

Schedule 1 Amendments

Part 2 Exchange of information relating to taxation information

1 **351B Secretary may arrange for use of computer programs to make**
2 **decisions**

3 (1) The Secretary may arrange for the use, under the Secretary's
4 control, of computer programs for any purposes for which an
5 officer may make a decision that is the doing of a thing under
6 subsection 351(1) or (2).

7 (2) A decision made by the operation of a computer program under an
8 arrangement made under subsection (1) is taken to be a decision
9 made by the Secretary.

10 **101 Section 352 (heading)**

11 Repeal the heading, substitute:

12 **352 Offence—unauthorised obtaining of protected information**

13 **102 Section 353 (heading)**

14 Repeal the heading, substitute:

15 **353 Offence—unauthorised making a record of, disclosure of or use**
16 **of protected information**

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Amendments **Schedule 1**
Other amendments **Part 3**

1 **Part 3—Other amendments**

2 *Social Security Act 1991*

3 **103 Subsection 8(1) (note 3 to the definition of *ordinary***
4 ***income*)**

5 Omit “sections 1072 and 1073 (ordinary income concept)”, substitute
6 “Division 1 of Part 3.10 (ordinary income concept and treatment of
7 certain income amounts)”.

8 **104 Point 1064-E1 (note 2)**

9 Omit “(sections 1072 and 1073)”, substitute “and the treatment of
10 certain income amounts (Division 1 of Part 3.10)”.

11 **105 Point 1066-E1 (note 2)**

12 Omit “(sections 1072 and 1073)”, substitute “and the treatment of
13 certain income amounts (Division 1 of Part 3.10)”.

14 **106 Point 1066A-F1 (note 2)**

15 Omit “(sections 1072 and 1073)”, substitute “and the treatment of
16 certain income amounts (Division 1 of Part 3.10)”.

17 **107 Point 1067G-H1 (note 2)**

18 Omit “(sections 1072 and 1073)”, substitute “and the treatment of
19 certain income amounts (Division 1 of Part 3.10)”.

20 **108 Point 1067G-H23**

21 Omit “section 1073”, substitute “sections 1072A and 1073”.

22 **109 Point 1067L-D1 (note 2)**

23 Omit “(sections 1072 and 1073)”, substitute “and the treatment of
24 certain income amounts (Division 1 of Part 3.10)”.

25 **110 Point 1067L-D19**

26 Omit “section 1073”, substitute “sections 1072A and 1073”.

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Schedule 1 Amendments
Part 3 Other amendments

1 **111 Point 1068-G1 (note 3)**

2 Omit “(sections 1072 and 1073)”, substitute “and the treatment of
3 certain income amounts (Division 1 of Part 3.10)”.

4 **112 Point 1068-G7A**

5 Omit “section 1073”, substitute “sections 1072A and 1073”.

6 **113 Point 1068A-E1 (note 2)**

7 Omit “(sections 1072 and 1073)”, substitute “and the treatment of
8 certain income amounts (Division 1 of Part 3.10)”.

9 **114 Point 1068B-D1 (note 3)**

10 Omit “(sections 1072 and 1073)”, substitute “and the treatment of
11 certain income amounts (Division 1 of Part 3.10)”.

12 **115 Division 1 of Part 3.10 of Chapter 3 (heading)**

13 Repeal the heading, substitute:

14 **Division 1—Ordinary income concept and treatment of**
15 **certain income amounts**

16 **116 After section 1072**

17 Insert:

18 **1072A Treatment of certain lump sum payments**

19 (1) This section applies if:

- 20 (a) a person has claimed a social security pension or a social
21 security benefit; and
22 (b) on or after the first day of the period of 12 months ending at
23 the end of the day the person made the claim, the person
24 receives an amount of income in the form of a lump sum
25 payment of arrears of periodic payments; and
26 (c) the lump sum payment is not income within the meaning of
27 Division 1B or 1C of this Part; and
28 (d) the lump sum payment is not in relation to remunerative
29 work undertaken by the person; and
-

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Amendments **Schedule 1**
Other amendments **Part 3**

- 1 (e) the lump sum payment is not an exempt lump sum; and
2 (f) the lump sum payment is not a payment of compensation.
- 3 (2) The Secretary may determine that the person is taken to have
4 received the lump sum payment over such period, not exceeding 52
5 weeks, as the Secretary determines.
- 6 (3) The period determined by the Secretary must begin on the day on
7 which the person received the lump sum payment.
- 8 (4) For each day in the period determined by the Secretary, the person
9 is taken to have received an amount of ordinary income worked out
10 by dividing the amount of the lump sum payment by the number of
11 days in that period.

12 **117 Subsection 1228A(3)**

13 Omit “Section 1073 does”, substitute “Sections 1072A and 1073 do”.

14 **118 Application provision**

15 Section 1072A of the *Social Security Act 1991*, as inserted by this Part,
16 applies in relation to a lump sum payment received on or after the
17 commencement of this item.

EXPOSURE DRAFT