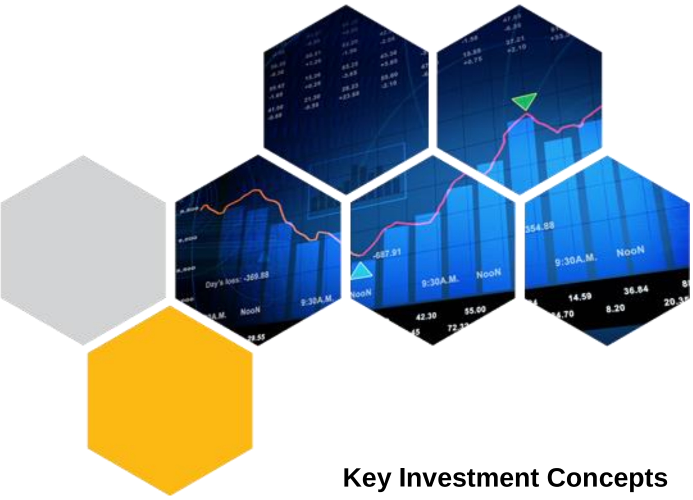

Key Investment Concepts

Employment termination payments

Employment Termination Payment

An employment termination payment (ETP) is a lump sum payment made due to the termination of employment. It can include amounts for unused rostered days off, amounts in lieu of notice, a gratuity or ‘golden handshake’, an employee’s invalidity payment (for permanent disability, other than compensation for personal injury), and certain payments after the death of an employee.

ETPs do not include a payment for unused annual leave or unused long service leave, the tax free part of a genuine redundancy payment or an early retirement scheme payment, payments made from super funds, pension or annuities, or capital payments for personal injury or restraint of trade.

ETPs cannot be rolled over into super; it must be taken as cash. There are two types of ETPs, including life benefit termination payment and death benefit termination payments:

Life benefit termination payment

A ‘life benefit termination payment’ refers to a payment made to an individual as a consequence of the termination of the individual’s employment.

Death benefit termination payment

A ‘death benefit termination payment’ is a payment made to an individual after another person’s death, in consequence of the termination of the other person’s employment.

Your financial adviser can provide you with more information on the consequences of receiving an employment termination payment including possible taxation impacts and strategies.

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