

Tax and pension rulings for Your Life Your Choice

This fact sheet provides advice about how Your Life Your Choice self-directed payments are considered for tax or pension purposes.

No impact on taxable income

The Australian Taxation Office has ruled that any payments under Your Life Your Choice self-directed support are **not** considered to be assessable or taxable income. The ruling applies from 1 January 2013.

The ruling only applies to people with a disability who receive Disability Services payments into their own bank account either through a Your Life Your Choice host provider or directly from the department.

It means that any payments under these arrangements are **not** considered to be part of the person's taxable income. Any interest earned on those funds in a person's bank account is also not considered to be taxable income.

Read the tax ruling at www.ato.gov.au – Your Life Your Choice ATO Class Ruling CR2013/45.

No impact on pensions

A separate decision applies for people who receive Centrelink benefits or a disability support pension.

That decision means that any Your Life Your Choice funds paid into a person's own bank account are **not** considered as income when determining eligibility for payments or the amount of those payments.

The Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs decision is that the Your Life Your Choice self-directed support framework: host provider model and direct payments is an approved personal care support scheme under section 35A of the *Social Security Act 1991*.

Read the decision at www.comlaw.gov.au/Details/F2013L00911 – Social Security Determination: Personal Care and Support – Your Life Your Choice self-directed support: Host providers and direct payment Determination F2013L0091.

What happens next?

For people with a disability

People with a disability should review the tax ruling and Centrelink decision and ensure their tax agent is familiar with these.

For host providers

Host providers should review the tax ruling and Centrelink decision. This new information should be included in any advice provided to people with a disability. Host providers should also review their processes to ensure that their information is updated, including any fact sheets or manuals.

More information

Queensland Government's disability website

www.qld.gov.au/disability

Phone: 13 QGOV (13 74 68)

DisabilityCare Australia

www.disabilitycareaustralia.gov.au

Phone: 1800 800 110

Department of Communities, Child Safety and Disability Services (Disability Services)

www.communities.qld.gov.au/disability

Phone: 13 QGOV (13 74 68)

Email: disability@communities.qld.gov.au

Your Life Your Choice – www.communities.qld.gov.au/disability/key-projects/your-life-your-choice

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