

NSW Stolen Generations Reparations Scheme and Funeral Assistance Fund

Fact Sheet 5 – Centrelink, Tax and Social Housing Information

CS1050

Reparations payments and their effect on Centrelink payments, taxation and Social Housing Information

The Australian Government Department of Social Services and the Australian Tax Office (ATO) have determined that payments to Stolen Generation survivors from the NSW Stolen Generations Reparations Scheme (SGRS) and the Funeral Assistance Fund are not taxed and do not affect successful claimants' pensions and other Centrelink payments.

The Department of Social Services on 17 May 2017 registered a legal regulation, the *Social Security (Exempt Lump Sum – NSW Government Payments to Stolen Generations Survivors) Determination 2017* on the Federal Register of Legislation.

This means that any reparation and funeral assistance made to Stolen Generations survivors will not fall within the definition of 'ordinary income' under subsection 8(1) of the *Social Security Act 1991*, and will not be taken into account under the Social Security income test.

Similarly, on 24 May 2017, the ATO decided that Stolen Generations survivors will not be taxed on payments they receive from the NSW Stolen Generations Reparations Scheme and the Funeral Assistance Fund. This means that any of these payments do not need to be included in any income tax returns as they are not taxable.

The NSW Department of Communities and Justice (DCJ) advised in June 2017 that reparation and funeral assistance payments will be considered non-assessable special purpose payments under DCJ Social housing policy. This means payments won't affect eligibility for new or continued social (public, community or Aboriginal) housing assistance, or rent payable calculations.



For more information

If you own significant assets and use your payment to buy another asset, such as a car or boat, your purchase could affect your pension assets test.

For information on the assets test and how purchases can affect any regular government payments you receive, please contact a Services Australia (Centrelink) Financial Information Service officer on 13 23 00.

If you need more information on this issue visit ato.gov.au and search for Taxation Ruling TR 95/35: Income tax: capital gains: treatment of compensation receipts. Alternatively, you can email the ATO at TaxAdvice@ato.gov.au to ask for an ATO officer to ring you back, or call 13 28 61.