

FIJI

ACT NO. 2 OF 1996



I assent.

[L.S.]

K. K. T. MARA  
President

[14 March 1996]

**AN ACT**

## TO AMEND THE INCOME TAX ACT

ENACTED by the Parliament of Fiji—

*Short title and commencement*

1.—(1) This Act may be cited as the Income Tax (Amendment) Act, 1996.

(2) Sections 3, 4, 5 and 6 of this Act shall be deemed to have come into force on the 1st day of October 1995.

(3) Section 8 (e) of this Act shall be deemed to have come into force on the 10th day of November 1995.

(4) Except as provided in subsections (2) and (3) hereof this Act shall be deemed to have come into force on the 1st day of January 1996.

*Interpretation*

2. The Income Tax Act is, in this Act, referred to as "the Act".

*Section "2" amended*

3. Section "2" of the Act is amended by adding immediately after the definition of "public company" the following definition:

"redundancy payment" means a bona fide lump sum payment, other than a retiring allowance on the occasion of the termination of employment, where—

- (a) in the case of an individual who is an employee and who is not a seasonal worker, the employment is terminated by the employer, the termination being attributable, wholly or mainly, to the fact that the position filled by that individual is, or will become, superfluous to the needs of the employer; or
- (b) in the case of an individual who is an employee and a seasonal worker, that individual's usual seasonal employment is made unavailable by the employer, the unavailability being attributable, wholly or mainly, to the fact that the individual's position or usual position is, or will become, superfluous to the needs of the employer;

but does not include—

- (c) any payment relating to a situation solely involving a seasonal lay-off; or
- (d) any payment contingent on the completion of either a fixed-term engagement or an engagement to complete work specified in a contract; or
- (e) any payment in lieu of notice terminating the employment of the taxpayer; or
- (f) any payment which, if it had not been made upon termination of employment, would, in the opinion of the Commissioner, have been paid so as to constitute monetary remuneration of the employee; or
- (g) any payment made by a company pursuant to its articles of association to any of its directors; or
- (h) any payment which, in the opinion of the Commissioner, is excessively large in relation to the earnings and length of service of the employee;"

*Section "11" amended*

4. Section "11" of the Act is amended in paragraph (j), by inserting immediately after the word "amount" and before the word "received" in the first line of the proviso, the following—

"other than a redundancy payment"

*Section "17" amended*

5. Section "17" of the Act is amended in paragraph (13) (ii), by inserting immediately after the word "than" and before the word "a" in the seventh line, the following—

"a redundancy payment or"

*New Section "17A" added*

6. The Act is amended by inserting immediately after Section "17" the following new Section:

*"Redundancy payments"*

17A. Notwithstanding any other provision of this Act tax shall be assessed, levied, and paid in respect of any redundancy payment received on or after 1st October 1995 as follows:

- (a) on the first \$15,000 of any such payment at the rate of NIL %;
- (b) on any amount in excess of \$15,000 at the rate of 15%."

*Section "91" amended*

7. Section "91" of the Act is amended:

- (a) in subsection "(1) (a)", by deleting the figures "25" in the first line and substituting the figures "33 $\frac{1}{3}$ ";
- (b) in subsection "(1) (b)", by deleting the figures "50" in the first line and substituting the figures "66 $\frac{2}{3}$ ".

*"Fifth Schedule" amended*

8. The "Fifth Schedule" of the Act is amended:

- (a) in paragraph "4 (iii)", by inserting the word "the" after the word "of" and before the word "deduction" in the first line and by deleting the words and expression "thirty percent of total output, with a minimum of" in the third line.
- (b) in paragraph "5 (i)", by deleting the word "seven" in the fourth line and substituting the word "twelve";
- (c) in paragraph "5 (iv)", by deleting the figure "8" in the fourth line and substituting the figures "13";
- (d) in paragraph "6 (ii)", by deleting the figure "7" in the second line and substituting the figures "12".
- (e) in paragraph "11", by deleting the word "ninety-five" wherever it may appear and substituting the word "eighty".

Passed by the House of Representatives this fifteenth day of February, in the year of our Lord, One Thousand Nine Hundred and Ninety-Six.

Passed by the Senate this Twenty Eighth day of February in the year of our Lord One Thousand, Nine Hundred and Ninety-Six.