



My dad wants to give me my inheritance of \$13,000 now so I can help pay my mortgage, will it be taxed? What's the best way to avoid paying tax on it?

Louis, ACT

What a great dad!

Good news for you Louis - there is no tax payable if you were to receive money as a gift or an inheritance from your dad (or from anyone else for that matter). Whilst the ATO would gladly tax you on any earnings derived from the inheritance, as you are putting it against your mortgage there is no tax for you to worry about.

There may be some implications for your dad though. Whilst he wouldn't have any tax to worry about either, there may be an adjustment required if he received a pension or benefit from Centrelink.

Pensioners can gift a maximum of \$10,000 per year, up to \$30,000 over a five year period. Any excess above these figures are added back as "excluded assets" under the assets test for pension calculation purposes.

In your situation, \$3,000 would be considered an "excluded asset" for your dad. It may not have an impact for him if his assets are well under the assets test threshold anyway but it is something that should be checked, particularly if he intends on gifting you more money in the future.

