

SCR 97/D1 - Superannuation contributions: actuarial method for the calculation of the notional surchargeable contributions factor



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This document has been finalised by SCR 97/1.



Draft Superannuation Guarantee Ruling

Superannuation contributions: actuarial method for the calculation of the notional surchargeable contributions factor

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Draft Superannuation Contributions Rulings (DSCRs) represent the preliminary, though considered, views of the Australian Taxation Office.

DSCRs may not be relied on. Only final Superannuation Contributions Rulings represent authoritative statements by the Australian Taxation Office on the particular matters covered in the Ruling.

What this Ruling is about

1. This Ruling provides guidance to actuaries in relation to the preparation of actuarial certificates which deal with the notional surchargeable contributions factor required under the *Superannuation Contributions Tax (Assessment and Collection) Act 1997* (the Act).

Class of person/arrangement

2. When finalised, this Ruling is relevant to actuaries who have been asked to prepare an actuarial certificate which advises a defined benefits superannuation provider of the notional surchargeable contributions factor(s) for a defined benefits superannuation scheme. Such advice is required for the purposes of the Act.

Background

3. Subsection 8(3) of the Act provides that the surchargeable contributions for a member of a defined benefits superannuation scheme are worked out using the formula:

annual salary x notional surchargeable contributions factor.

4. Section 43 of the Act defines the notional surchargeable contributions factor as the factor applying to a member of a

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superannuation (defined benefits) provider for that year as certified by an eligible actuary according to Australian actuarial practice.

5. It is envisaged that actuarial advice regarding the factor will take the form of a certificate advising the superannuation provider of the rate or rates which should be applied in determining the surchargeable contributions for a member of a defined benefits superannuation scheme.

6. The Australian Government Actuary has prepared a draft method to assist actuaries who have been asked to prepare an actuarial certificate which advises a defined benefits superannuation provider of the notional surchargeable contributions factor(s) for a scheme.

Ruling

7. The approach contained in the Australian Government Actuary's draft method (at Attachment A) is an acceptable approach for an actuary to adopt in the preparation of an actuarial certificate dealing with the notional surchargeable contributions factor.

Date of effect

8. This Ruling has effect from the date of its issue in final form.

Explanations

9. The draft method in the Attachment has been prepared by the Australian Government Actuary and the Australian Taxation Office in consultation with the Institute of Actuaries of Australia.

10. The draft method is issued to provide actuaries with guidance when providing certificates which advise on the notional surchargeable contributions factor for the purpose of the Act.

Your comments

11. If you wish to comment on this Draft Ruling, please send your comments by: **8 August 1997**

to:

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12. Comments on the Australian Government Actuary's draft method should be sent by: **8 August 1997**

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13. Please note that the ATO will finalise this draft Ruling in August 1997. It is imperative that your comments be received by the closing date.

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