



# ***SCD 2002/4 - Superannuation contributions: what are the surchargeable contributions threshold and the indexable amounts for the 2002-2003 financial year under the Superannuation Contributions Tax Imposition Act 1997 ?***

 This cover sheet is provided for information only. It does not form part of *SCD 2002/4 - Superannuation contributions: what are the surchargeable contributions threshold and the indexable amounts for the 2002-2003 financial year under the Superannuation Contributions Tax Imposition Act 1997 ?*

 This document has changed over time. This is a consolidated version of the ruling which was published on *24 May 2002*

# Superannuation Contributions Determination

## **Superannuation contributions: what are the surchargeable contributions threshold and the indexable amounts for the 2002-2003 financial year under the *Superannuation Contributions Tax Imposition Act 1997*?**

### *Preamble*

*Superannuation Contributions Determinations (SCDs) do not have the force of law. Each decision made by the Australian Taxation Office is made on the merits of the individual case having regard to any relevant Rulings and Determinations.*

1. The *Superannuation Contributions Tax Imposition Act 1997* (the SCTIA) provides that for each financial year the surchargeable contributions threshold and the indexable amounts are to be amounts which reflect movements in full-time adult average weekly ordinary time earnings (AWOTE).

### **Surchargeable contributions threshold**

2. In accordance with subsection 6(2) of the SCTIA, **the surchargeable contributions threshold** is the amount worked out using the formula:

$$\text{previous threshold} \times \text{indexation factor} \times \frac{\text{current charge percentage}}{\text{previous charge percentage}}.$$

3. The **previous threshold** is the surchargeable contributions threshold for the financial year immediately before the relevant financial year. Under subsection 6(1) of the SCTIA, the surchargeable contributions threshold for the 2001-2002 financial year was \$3,248.

4. The **indexation factor** is worked out under subsections 9(4) and (5) of the *Superannuation Contributions Tax (Assessment and Collection) Act 1997*. This factor is calculated by dividing the index number for the last quarter in the current March year by the index number for the last quarter in the previous March year. The index number for a

# SCD 2002/4

quarter is the AWOTE estimate for the middle month of the quarter published by the Australian Statistician. The Australian Statistician's AWOTE estimate for February 2002 was \$860.50 and the estimate for February 2001 was \$810.60. This produces an indexation factor of 1.062.

5. For the 2002-2003 financial year, the **current charge percentage** - the number that is the employer's charge percentage under the Superannuation *Guarantee (Administration) Act 1992* for the relevant financial year is 9. The **previous charge percentage** - the number that is the employer's charge percentage under that Act, for the financial year immediately before the relevant financial year is 8.

6. Applying the formula in paragraph 2, the surchargeable contributions threshold for the 2002-2003 financial year is:

**\$3,880**

## **Indexable amounts**

7. In accordance with subsection 7(1) of the SCTIA, each **indexable amount** is worked out using the formula:

**previous indexable amount x relevant indexation factor.**

8. The **previous indexable amount** is the indexable amount for the financial year immediately before the indexing financial year. The indexing financial year is the 2002-2003 financial year or a later financial year. For the purpose of this Determination, the previous indexable amounts, as advised by Superannuation Contributions Determination SCD 2001/4, are \$1,219; \$85,242 and \$103,507.

9. The **relevant indexation factor** is the indexation factor for the indexing financial year and is calculated in the same way as described in paragraph 4 above. The factor is 1.062.

10. Applying the formula in paragraph 7, the indexable amounts for the 2002-2003 financial year are:

**\$1,295**

**\$90,527**

**\$109,924**

---

**Commissioner of Taxation**

24 May 2002

---

*Previous draft:*

Not previously released in draft form

*Related Rulings/Determinations:*

SCD 97/1; SCD 98/3; SCD 1999/1; SCD 2000/4; SCD 2001/4; SCD 2002/1; SCD 2002/2; SCD 2002/3

*Subject references:*

- average weekly ordinary time earnings
- earnings base
- financial year
- indexation
- indexation factor
- minimum contribution base
- superannuation contributions
- surcharge
- surcharge threshold
- threshold

*Legislative references:*

- SCT(AC)A 9(4)
- SCT(AC)A 9(5)
- SCTIA 5
- SCTIA 6(1)
- SCTIA 6(2)
- SCTIA 7(1)
- SGAA 20
- SGAA 21

---

ATO references:

NO: T2000/8247

ISSN: 1329-2471