



SCD 2004/2 - Superannuation contributions: what are the indexable amounts for the 2004-2005 financial year under the Termination Payments Tax Imposition Act 1997 ?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *18 June 2004*



Superannuation Contributions Determination

Superannuation contributions: what are the indexable amounts for the 2004-2005 financial year under the *Termination Payments Tax Imposition Act 1997*?

Preamble

Superannuation Contributions Determinations 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 *Termination Payments Tax Imposition Act 1997* (TPTIA) provides that for each indexing financial year each indexable amount is to be an amount which reflects movements in full-time adult average weekly ordinary time earnings (AWOTE).
2. To ascertain an indexable amount, an indexation 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.¹ The index number for a quarter is the AWOTE estimate for the middle month of the quarter published by the Australian Statistician.
3. The Australian Statistician's AWOTE estimate for February 2004 was \$947.80 and the estimate for February 2003 was \$900.40. This produces an indexation factor of 1.053. This factor, when multiplied by the indexable amount for the previous year, produces the indexable amount for the current year.²
4. For the purpose of this Determination, the previous indexable amounts, as set out in subsection 5(1AA) of the TPTIA, are \$94,691 (the lower income amount) and \$114,981 (the higher income amount).
5. For the purpose of subsection 5(1AA) of the TPTIA, the indexable amounts (as calculated under section 6) for the 2004-2005 financial year are:
 - **\$99,710** (the lower income amount); and
 - **\$121,075** (the higher income amount).

¹ Subsection 6(3) of the TPTIA.

² Subsection 6(1) of the TPTIA.

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6. These indexable amounts are relevant for working out the rate of the termination payments surcharge payable on a termination payment made to or for a taxpayer in a particular year under section 5 of the TPTIA. Superannuation Contributions Determination SCD 2004/5 provides details of the calculation of the amount represented by 'A' in the first formula contained under subsection 5(1) of the TPTIA.

Date of effect

7. This Determination applies to the 2004-2005 financial year.

Commissioner of Taxation

18 June 2004

Previous draft:

Not previously released in draft form

Previous Determinations:

SCD 97/2; SCD 98/4; SCD 1999/2; SCD 2000/2; SCD 2001/2; SCD 2002/2; SCD 2003/2

Related Determinations:

SCD 2004/1; SCD 2004/3; SCD 2004/4, SCD 2004/5

Subject references:

- average weekly ordinary time earnings
- financial year
- higher income amount
- indexable amount
- indexation
- indexation factor
- lower income amount
- superannuation contributions
- termination payments surcharge

Legislative references:

- TPTIA 1997
- TPTIA 1997 5
- TPTIA 1997 5(1)
- TPTIA 1997 5(1AA)
- TPTIA 1997 6
- TPTIA 1997 6(1)
- TPTIA 1997 6(3)

ATO References

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