



SCD 2005/3 - Superannuation contributions: what is the surcharge threshold for the 2005-2006 financial year under the Termination Payments Tax (Assessment and Collection) Act 1997?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *22 June 2005*



Superannuation Contributions Determination

Superannuation contributions: what is the surcharge threshold for the 2005-2006 financial year under the *Termination Payments Tax (Assessment and Collection) 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.

[Note: This is a consolidated version of this document. Refer to the Tax Office Legal Database (<http://law.ato.gov.au>) to check its currency and to view the details of all changes.]

1. The *Termination Payments Tax (Assessment and Collection) Act 1997* (TPT(AC)A) provides that for each financial year the surcharge threshold is to be an amount which reflects movements in full-time adult average weekly ordinary time earnings (AWOTE).¹
2. To ascertain the surcharge threshold, 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. 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 2005 was \$992.90 and the estimate for February 2004 was \$947.80. This produces an indexation factor of 1.048. This factor, when multiplied by the surcharge threshold for the previous year, produces the surcharge threshold for the current year.
4. Superannuation Contributions Determination SCD 2004/3 specifies the previous surcharge threshold for the 2004-2005 financial year as \$99,710.
5. For the purposes of subsection 10(2) of the TPT(AC)A, the surcharge threshold for the 2005-2006 financial year is:
 - **\$104,496.**

¹ Please note: if enacted, amendments proposed in the Australian Government Budget Measures 2005-06 will result in no surcharge being payable in respect of termination payments made on or after 1 July 2005.

SCD 2005/3

Date of effect

6. This Determination applies to the 2005-2006 financial year.

Commissioner of Taxation

8 June 2005

Previous draft:

Not previously issued as a draft

Previous Determinations:

SCD 97/3; SCD 98/5; SCD 1999/3;
SCD 2000/3; SCD 2001/3; SCD 2002/3;
SCD 2003/3; SCD 2004/3

Related Determinations:

SCD 2005/1; SCD 2005/2; SCD 2005/4;
SCD 2005/5

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:

- TPT(AC)A 1997
- TPT(AC)A 1997 10(2)

ATO references

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