



SGD 96/1 - What is the maximum contribution base for each contribution period in 1996/97?

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

Superannuation Guarantee Determination

What is the maximum contribution base for each contribution period in 1996/97?

1. \$22,590.
2. By applying subsection 15(3) of the *Superannuation Guarantee (Administration) Act 1992* (the Act), the maximum contribution base for a contribution period in 1996-97 is:

\$21,720	X	Indexation factor for the 1996-97 year
(maximum contribution base for a contribution period in 1995-96)		

3. By applying section 9 of the Act, the indexation factor for 1996-97 is the greater of '1' and the number found by dividing the AWOTE amount for February 1996 by the AWOTE amount for February 1995.
4. The AWOTE amount is an estimate by the Australian Statistician of the full-time adult average weekly ordinary time earnings for persons in Australia. The estimate for February 1996 was \$665.80 and the estimate for February 1995 was \$639.90.
5. This produces an indexation factor of 1.040. When applied to \$21,720, the amount comes to \$22,588.80. Subsection 15(4) provides for this amount to be rounded to the nearest 10 dollar multiple (rounding 5 dollars upwards). Therefore, the maximum contribution base for 1996-97 contribution periods is \$22,590.

Commissioner of Taxation

15 May 1996

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Related Determinations: SGD 94/7; SGD 95/2

Related Rulings:

Subject Ref: average weekly ordinary time earnings; earnings base; maximum contribution base

Legislative Ref: SGAA 9; SGAA 15(3); SGAA 15(4)

Case Ref:

ATO Ref: NAT 96/3689-7; BAN SGD4