



SCD 2004/5 - Superannuation contributions: for the 2004-2005 financial year, what is the amount represented by A in the first formula contained within subsection 5(1) of the Superannuation Contributions Tax Imposition Act 1997 and subsection 5(1) of 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: for the 2004-2005 financial year, what is the amount represented by **A** in the first formula contained within subsection 5(1) of the *Superannuation Contributions Tax Imposition Act 1997* and subsection 5(1) of 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 amount represented by **A** in the first formula contained within subsection 5(1) of the *Superannuation Contributions Tax Imposition Act 1997* (SCTIA) and subsection 5(1) of the *Termination Payments Tax Imposition Act 1997* (TPTIA) is **\$1,582.59259**.¹

2. Subsection 5(1) of the SCTIA provides, subject to subsection 5(3):

If the member's adjusted taxable income for a financial year (relevant adjusted taxable income) is not less than the lower income amount but is less than the higher income amount, the rate of the superannuation contributions surcharge that applies to the member for that year is the percentage (calculated to 5 decimal places) of the member's surchargeable contributions for that year worked out using the formula:

$$\frac{\text{Relevant adjusted taxable income} - \text{Lower income amount}}{A}$$

where **A** is:

$$\frac{\text{Higher income amount} - \text{Lower income amount}}{\text{Maximum surcharge percentage}} \times 100$$

¹ Please note that the amount represented by **A** for the 2004-2005 financial year may change as a result of amendments proposed in the Superannuation Budget Measures Bill 2004 which is currently before Parliament.

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3. For the 2004-2005 financial year, **A** is worked out as follows:²

Higher income amount = \$121,075

Lower income amount = \$99,710

Maximum surcharge percentage = 13.5%

$$\frac{\$121,075 - \$99,710}{0.135 \times 100}$$

$$= \$1,582.59259.$$

4. Although no legislative provision requires **A** to be rounded to a defined number of decimal places, the Australian Taxation Office calculates **A** to five decimal places. This approach allows for certainty and simplicity in the calculation while maintaining its accuracy. It is also consistent with the rounding of the first formula within subsection 5(1) of the SCTIA.

5. In a similar way, for the 2004-2005 financial year, the amount represented by **A** in the first formula contained within subsection 5(1) of the TPTIA is also \$1,582.59259.³

6. For the 2003-2004 financial year, the amount represented by **A** in the first formula contained within subsection 5(1) of the SCTIA and subsection 5(1) of the TPTIA was \$1,399.31034.

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

Related Rulings

SCD 2004/1; SCD 2004/2; SCD 2004/3; SCD 2004/4

Subject references:

- adjusted taxable income
- financial year
- higher income amount
- lower income amount
- maximum surcharge percentage
- relevant adjusted taxable income
- superannuation contributions surcharge
- surchargeable contributions

Legislative references:

- SCTIA 1997 5(1)

² See Superannuation Contributions Determination SCD 2004/4 and subsection 5(1AA) of the SCTIA.

³ See Superannuation Contributions Determination SCD 2004/2 and subsection 5(1AA) of the TPTIA.

- SCTIA 1997 5(1AA)
 - SCTIA 1997 5(3)
 - TPTIA 1997 5(1)
 - TPTIA 1997 5(1AA)
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ATO References

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