


SGD 2003/3 - Superannuation guarantee: method of calculating the notional employer contribution rate in accordance with regulation 4 of the Superannuation Guarantee (Administration) Regulations.

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Superannuation Guarantee Determination

Superannuation guarantee: method of calculating the notional employer contribution rate in accordance with regulation 4 of the Superannuation Guarantee (Administration) Regulations.

Preamble

Superannuation Guarantee 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 Superannuation Guarantee (Administration) Regulations (the regulations) took effect from 28 April 1993, the date on which they were notified in the *Commonwealth of Australia Gazette*.
2. The notional employer contribution rate (NECR) in respect of a class of employees is calculated in accordance with either regulation 4, 5 or 6 of the regulations. Regulation 4 applies if neither regulation 5 nor 6 apply to calculate the NECR. Regulation 4 provides that the NECR is to be calculated in accordance with a method decided by an actuary.
3. For an alternative calculation to be adopted under regulation 4, an actuary must certify that the method is applicable to the class of employees, is consistent with regulations 5 or 6, and determines a rate comparable to the rate at which the employer must contribute to the superannuation scheme, or schemes, to provide the employee with the minimum requisite benefit.
4. For the purposes of regulation 4 we will accept methods of calculating a notional employer contribution rate which are consistent with Guidance Note 456 issued on 29 April 1993 (and revised in March 1995) by the Institute of Actuaries of Australia and entitled 'Preparation of Benefit Certificates Required Under The *Superannuation Guarantee (Administration) Act 1992*'.
5. The Institute of Actuaries Guidance Note 456 is available from:
The Institute of Actuaries of Australia
Level 7
Challis House
4 Martin Place

SGD 2003/3

SYDNEY NSW 2000

Telephone: (02) 9233 3466

Facsimile: (02) 9233 3446

Internet: <http://www.actuaries.asn.au>

Date of Effect:

6. This Determination applies from 1 October 2003. It replaces SGD 93/8 which issued on 8 July 1993. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of issue of the Determination.

Commissioner of Taxation

1 October 2003

Previous Rulings/Determinations:

SGD 93/8

Subject references:

- benefit certificates
- notional employer contribution rate

Legislative references:

- SGAA 1992
- Superannuation Guarantee (Administration) Regulations 1993 4
- Superannuation Guarantee (Administration) Regulations 1993 5
- Superannuation Guarantee (Administration) Regulations 1993 6

ATO references

NO: 93/3776-8

ISSN: 1038-745