



SGD 93/9 - Superannuation Guarantee: method of preparing a benefit certificate for superannuation funds which are 'deemed' defined benefit superannuation schemes under subsection 6A(2) of the Superannuation Guarantee (Administration) Act 1992.

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 This document has changed over time. This is a consolidated version of the ruling which was published on *1 July 1993*

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

Superannuation Guarantee: method of preparing a benefit certificate for superannuation funds which are 'deemed' defined benefit superannuation schemes under subsection 6A(2) of the Superannuation Guarantee (Administration) Act 1992.

1. The Taxation Laws Amendment (Superannuation) Act 1993 introduced amendments to allow the trustee of a defined contribution fund to elect that the fund be treated as a defined benefit superannuation scheme for the purposes of the Superannuation Guarantee (Administration) Act 1992 (the Act). The reason for the amendments was to enable these sorts of funds to take account of any surplus funds, which are used in providing the benefits of members, when working out the level of superannuation support provided by employers for employees.

2. Where a trustee makes the election, employers providing support in the fund will be treated as employers in defined benefit superannuation schemes. Consequently, employers who wish to use the scheme for superannuation guarantee purposes will need to obtain a benefit certificate from an actuary specifying the notional employer contribution rate (the NECR) in relation to the employees specified in the certificate.

3. The NECR in respect of a class of employees is calculated in accordance with either regulation 4, 5 or 6 of the Superannuation Guarantee (Administration) Regulations. Regulation 4 applies if neither regulations 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.

4. For the purposes of regulation 4, where the fund is a defined benefit superannuation scheme under subsection 6A(2) of the Act, we will accept methods of calculating a NECR which are consistent with Guidance Note 457 issued on 30 June 1993 by The Institute of Actuaries of Australia and entitled 'Benefit Certificates for "Deemed" Defined Benefit Funds'.

5. The Institute of Actuaries' Guidance Note 457 is available from:

The Institute of Actuaries of Australia
Suite 1
8th Floor
49 Market Street
SYDNEY NSW 2000

Telephone: (02) 264 2411
Facsimile: (02) 261 8501

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Related Determinations: SGD 93/8

Related Rulings:

Subject Ref: benefit certificates; notional employer contribution rate; deemed defined benefit; minimum requisite benefits

Legislative Ref: SGAA 6A and 6B; Superannuation Guarantee (Administration) Regulations 3, 4, 5 & 6

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