



SGD 95/2 - What is the maximum contribution base for each contribution period in 1995/96?

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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 1995/96?

- \$21,720.
- Subsection 15(3) of the *Superannuation Guarantee (Administration) Act 1992* provides that the maximum contribution base for a contribution period in 1995-96 is:

\$20,780	X	Indexation factor for the 1995-96 year
(maximum contribution base for a contribution period in 1994-95)		

- Section 9 defines the indexation factor for 1995-96 as the greater of '1' and the number found by dividing the AWOTE amount for February 1995 by the AWOTE amount for February 1994.
- 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 1995 was \$639.90 and the estimate for February 1994 was \$612.30.
- This produces an indexation factor of 1.045. When applied to \$20,780, the amount comes to \$21,715. 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 1995-96 contribution periods is \$21,720.

Commissioner of Taxation
8 June 1995

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Related Determinations: SGD 94/7

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: BAN SGD2; NAT 95/3645-1