

**Superannuation (Productivity Benefit) (1999-2000 Continuing Contributions)
Declaration 1999 1999 No. 135**

EXPLANATORY STATEMENT

STATUTORY RULES 1999 No. 135

SUPERANNUATION (PRODUCTIVITY BENEFIT) ACT 1988

ISSUED BY THE AUTHORITY OF THE MINISTER FOR FINANCE AND ADMINISTRATION

DECLARATION UNDER SECTION 3D

VARIATION OF TABLE

The Superannuation (Productivity Benefit) Act 1988 (the PB Act) provides the mechanism by which the Superannuation Guarantee (SG) minimum superannuation contribution is made available to Australian Government employees (and certain other employees) who have no other employersponsored superannuation cover. Prior to 1 July 1992, the PB Act provided productivity superannuation to these employees.

Since 1 July 1990, the designated employers of employees covered by the PB Act arrangements have been required to pay periodic contributions based on the salary of the employee to the superannuation fund nominated by the Minister for Finance and Administration, or another superannuation fund approved by the Minister. Where the employee is eligible, contributions may be paid to a regulated fund as defined by the Superannuation Industry Supervision legislation. The amount to be contributed is calculated using a table set out in the Schedule to the Act. The Table is structured so that a proportionately greater benefit is provided to lower paid wage earners. The amount to be contributed is adjusted where the employee is not employed full-time.

This Declaration, made under section 3D of the PB Act and cited as the **Superannuation (Productivity Benefit) (1999-2000 Continuing Contributions) Declaration 1999** provides substituted amounts for the Table in the Schedule to the Act in relation to the financial year commencing on 1 July 1999.

The benefits provided under the PB Act comply with the requirements of the SG legislation. The only employees receiving superannuation under the Act who do not receive a flat rate superannuation equivalent to 7 per cent of their salaries (as provided under SG), are those for whom that amount would represent a reduction (ie below the minimum weekly benefit for lower paid wage earners of \$13.53) and those on salaries in excess of \$100,960 per annum who receive a flat contribution equivalent to 7 per cent of \$100,960 (ie \$135.91 per week), as required by the SG legislation. Historically, the benefit is skewed so that low income earners receive more than 7 per cent of salary while higher income earners receive less.

The Declaration commenced on gazettal.