



# **Life Insurance Supervisory Levy Imposition Act 1998**

**No. 57, 1998**

## **Compilation No. 10**

|                                   |                  |
|-----------------------------------|------------------|
| <b>Compilation date:</b>          | 20 June 2020     |
| <b>Includes amendments up to:</b> | Act No. 58, 2020 |
| <b>Registered:</b>                | 29 June 2020     |

Prepared by the Office of Parliamentary Counsel, Canberra

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## About this compilation

### This compilation

This is a compilation of the *Life Insurance Supervisory Levy Imposition Act 1998* that shows the text of the law as amended and in force on 20 June 2020 (the *compilation date*).

The notes at the end of this compilation (the *endnotes*) include information about amending laws and the amendment history of provisions of the compiled law.

### Uncommenced amendments

The effect of uncommenced amendments is not shown in the text of the compiled law. Any uncommenced amendments affecting the law are accessible on the Legislation Register ([www.legislation.gov.au](http://www.legislation.gov.au)). The details of amendments made up to, but not commenced at, the compilation date are underlined in the endnotes. For more information on any uncommenced amendments, see the series page on the Legislation Register for the compiled law.

### Application, saving and transitional provisions for provisions and amendments

If the operation of a provision or amendment of the compiled law is affected by an application, saving or transitional provision that is not included in this compilation, details are included in the endnotes.

### Editorial changes

For more information about any editorial changes made in this compilation, see the endnotes.

### Modifications

If the compiled law is modified by another law, the compiled law operates as modified but the modification does not amend the text of the law. Accordingly, this compilation does not show the text of the compiled law as modified. For more information on any modifications, see the series page on the Legislation Register for the compiled law.

### Self-repealing provisions

If a provision of the compiled law has been repealed in accordance with a provision of the law, details are included in the endnotes.

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# **An Act to impose a levy on companies registered under section 21 of the *Life Insurance Act 1995***

## **1 Short title**

This Act may be cited as the *Life Insurance Supervisory Levy Imposition Act 1998*.

## **2 Commencement**

- (1) This Act commences on the commencement of the *Australian Prudential Regulation Authority Act 1998*.
- (2) If this Act commences during a financial year (but not on 1 July of that financial year), this Act has effect in relation to that financial year subject to the modifications specified in the regulations.

## **3 Act binds the Crown**

This Act binds the Crown in each of its capacities.

## **4 External Territories**

This Act extends to each external Territory.

## **5 Definitions**

In this Act, unless the contrary intention appears:

***indexation factor*** means the indexation factor calculated under section 8.

***index number***, in relation to a quarter, means the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published by the Australian Statistician in respect of that quarter.

**levy imposition day**, in relation to a life insurance company for a financial year, means:

- (a) if the life insurance company is a life insurance company on 1 July of the financial year—that day; or
- (b) in any other case—the day, during the financial year, on which the life insurance company becomes a life insurance company.

**life insurance company** means a company that is registered under section 21 of the *Life Insurance Act 1995*.

**statutory upper limit** means:

- (a) for the financial year commencing on 1 July 2020—\$10,000,000; or
- (b) for a later financial year—the amount calculated by multiplying the statutory upper limit for the previous financial year by the indexation factor for the later financial year.

## 6 Imposition of life insurance supervisory levy

Levy payable in accordance with subsection 8(4) of the *Financial Institutions Supervisory Levies Collection Act 1998* is imposed.

## 7 Amount of levy

- (1) Subject to subsection (2), the amount of levy payable by a life insurance company for a financial year is the sum of the restricted levy component and the unrestricted levy component for the financial year.

Note: For **restricted levy component**, see subsection (1A). For **unrestricted levy component**, see subsection (1B).

- (1A) The **restricted levy component** for the financial year is:
  - (a) unless paragraph (b) or (c) applies—the amount that, for the financial year, is the restricted levy percentage of the life insurance company's levy base; or

- (b) if the amount worked out under paragraph (a) exceeds the maximum restricted levy amount for the financial year—the maximum restricted levy amount; or
- (c) if the amount worked out under paragraph (a) is less than the minimum restricted levy amount for the financial year—the minimum restricted levy amount.

Note: The restricted levy percentage, maximum restricted levy amount, minimum restricted levy amount and the method of working out the life insurance company's levy base are as determined under subsection (3).

- (1B) The **unrestricted levy component** for the financial year is the amount that, for the financial year, is the unrestricted levy percentage of the life insurance company's levy base.

Note: The unrestricted levy percentage is as determined under subsection (3).

- (2) If the levy imposition day for the life insurance company for the financial year is later than 1 July in the financial year, the amount of levy payable by the life insurance company for the financial year is the amount worked out using the following formula:

$$\frac{\text{The amount worked out under subsection (1)}}{\text{The number of days in the financial year}} \times \left( 1 + \frac{\text{The number of days in the financial year after the levy imposition day}}{\text{The number of days in the financial year}} \right)$$

- (3) The Treasurer is, by legislative instrument, to determine:
- (a) the **maximum restricted levy amount** for each financial year; and
  - (b) the **minimum restricted levy amount** for each financial year; and
  - (c) the **restricted levy percentage** for each financial year; and
  - (ca) the **unrestricted levy percentage** for each financial year; and
  - (d) how a **life insurance company's levy base** is to be worked out.

- (4) An amount determined under subsection (3) as the maximum restricted levy amount for a financial year must not exceed the statutory upper limit for the financial year.
- (5) The Treasurer's determination under paragraph (3)(d) of how a life insurance company's levy base is to be worked out is to include, but is not limited to, a determination of the day as at which the life insurance company's levy base is to be worked out. That day must be:
  - (a) if the life insurance company was a life insurance company at all times from and including 17 March of the previous financial year to and including the following 30 June—a day in the period from and including that 17 March to and including the following 14 April; or
  - (b) if the life insurance company was not a life insurance company at all times from and including 17 March of the previous financial year to and including the following 30 June—the day after that 17 March when the life insurance company became, or becomes, a life insurance company.
- (6) A determination under subsection (3) may make different provision for different classes of life insurance companies.

## **8 Calculation of indexation factor**

- (1) The indexation factor for a financial year is the number worked out by:
  - (a) ascertaining the index number for the most recent quarter for which the Australian Statistician has published an index number, as at the start of the day on which the Treasurer makes the first determination under subsection 7(3) of an amount or percentage for the financial year; and
  - (b) dividing that index number by the index number for the quarter 12 months before the quarter mentioned in paragraph (a); and
  - (c) adding 0.030 to the number worked out under paragraph (b).



- (2) The indexation factor is to be calculated to 3 decimal places, but increased by .001 if the 4th decimal place is more than 4.
- (3) Calculations under subsection (1):
  - (a) are to be made using only the index numbers published in terms of the most recently published index reference period for the Consumer Price Index; and
  - (b) are to be made disregarding index numbers that are published in substitution for previously published index numbers (except where the substituted numbers are published to take account of changes in the index reference period).

## 9 Regulations

The Governor-General may make regulations for the purposes of subsection 2(2).

## Endnotes

Endnote 1—About the endnotes

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## Endnotes

### Endnote 1—About the endnotes

The endnotes provide information about this compilation and the compiled law.

The following endnotes are included in every compilation:

Endnote 1—About the endnotes

Endnote 2—Abbreviation key

Endnote 3—Legislation history

Endnote 4—Amendment history

### Abbreviation key—Endnote 2

The abbreviation key sets out abbreviations that may be used in the endnotes.

### Legislation history and amendment history—Endnotes 3 and 4

Amending laws are annotated in the legislation history and amendment history.

The legislation history in endnote 3 provides information about each law that has amended (or will amend) the compiled law. The information includes commencement details for amending laws and details of any application, saving or transitional provisions that are not included in this compilation.

The amendment history in endnote 4 provides information about amendments at the provision (generally section or equivalent) level. It also includes information about any provision of the compiled law that has been repealed in accordance with a provision of the law.

### Editorial changes

The *Legislation Act 2003* authorises First Parliamentary Counsel to make editorial and presentational changes to a compiled law in preparing a compilation of the law for registration. The changes must not change the effect of the law. Editorial changes take effect from the compilation registration date.

If the compilation includes editorial changes, the endnotes include a brief outline of the changes in general terms. Full details of any changes can be obtained from the Office of Parliamentary Counsel.

### Misdescribed amendments

A misdescribed amendment is an amendment that does not accurately describe the amendment to be made. If, despite the misdescription, the amendment can

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Endnote 1—About the endnotes

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be given effect as intended, the amendment is incorporated into the compiled law and the abbreviation “(md)” added to the details of the amendment included in the amendment history.

If a misdescribed amendment cannot be given effect as intended, the abbreviation “(md not incorp)” is added to the details of the amendment included in the amendment history.

## Endnotes

### Endnote 2—Abbreviation key

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#### Endnote 2—Abbreviation key

|  |  |
|--|--|
| ad = added or inserted   | o = order(s)   |
| am = amended   | Ord = Ordinance  |
| amdt = amendment   | orig = original  |
| c = clause(s)  | par = paragraph(s)/subparagraph(s)<br>/sub-subparagraph(s)             |
| C[x] = Compilation No. x   | pres = present   |
| Ch = Chapter(s)  | prev = previous<br>(prev...) = previously                              |
| def = definition(s)  | Pt = Part(s)   |
| Dict = Dictionary  | r = regulation(s)/rule(s)  |
| disallowed = disallowed by Parliament                              | reloc = relocated  |
| Div = Division(s)  | renum = renumbered   |
| ed = editorial change  | rep = repealed   |
| exp = expires/expired or ceases/ceased to have<br>effect           | rs = repealed and substituted  |
| F = Federal Register of Legislation                                | s = section(s)/subsection(s)   |
| gaz = gazette  | Sch = Schedule(s)  |
| LA = <i>Legislation Act 2003</i>                                   | Sdiv = Subdivision(s)  |
| LIA = <i>Legislative Instruments Act 2003</i>                      | SLI = Select Legislative Instrument                                    |
| (md) = misdescribed amendment can be given<br>effect               | SR = Statutory Rules   |
| (md not incorp) = misdescribed amendment<br>cannot be given effect | Sub-Ch = Sub-Chapter(s)  |
| mod = modified/modification  | SubPt = Subpart(s)   |
| No. = Number(s)  | <u>underlining</u> = whole or part not<br>commenced or to be commenced |

## Endnote 3—Legislation history

**Endnote 3—Legislation history**

| <b>Act</b>  | <b>Number and year</b> | <b>Assent</b> | <b>Commencement</b>   | <b>Application, saving and transitional provisions</b> |
|---|------------------------|---------------|---|--|
| Life Insurance Supervisory Levy Imposition Act 1998   | 57, 1998               | 29 June 1998  | 1 July 1998 (s 2(1))  |  |
| Financial Sector Reform (Amendments and Transitional Provisions) Act (No. 1) 1999           | 44, 1999               | 17 June 1999  | Sch 6 (item 25) and Sch 8 (items 22, 23): 17 June 1999 (s 3(1)) | Sch 8 (items 22, 23)                                   |
| Life Insurance Supervisory Levy Imposition Amendment Act 2005                               | 16, 2005               | 22 Feb 2005   | 22 Feb 2005 (s 2)   | Sch 1 (item 7)   |
| Financial Sector Legislation Amendment (Simplifying Regulation and Review) Act 2007         | 154, 2007              | 24 Sept 2007  | Sch 4 (items 51, 52): 24 Sept 2007 (s 2(1) item 7)              | —  |
| First Home Saver Accounts (Further Provisions) Amendment Act 2008                           | 92, 2008               | 30 Sept 2008  | Sch 3 (item 6): 1 July 2009 (s 2(1) item 3)                     | —  |
| Financial Sector Legislation Amendment (Enhancing Supervision and Enforcement) Act 2009     | 75, 2009               | 27 Aug 2009   | Sch 1 (items 216, 217): 27 Feb 2010 (s 2(1) item 2)             | —  |
| Financial Sector Legislation Amendment (Prudential Refinements and Other Measures) Act 2010 | 82, 2010               | 29 June 2010  | Sch 5 (items 18–23): 1 July 2010 (s 2(1) item 16)               | —  |

*Life Insurance Supervisory Levy Imposition Act 1998*

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Compilation No. 10

Compilation date: 20/06/2020

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## Endnotes

### Endnote 3—Legislation history

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| <b>Act</b>   | <b>Number<br/>and year</b> | <b>Assent</b>   | <b>Commencement</b>                             | <b>Application,<br/>saving and<br/>transitional<br/>provisions</b> |
|--|----------------------------|-----------------|---|--|
| Statute Law Revision<br>Act (No. 2) 2015                               | 145, 2015                  | 12 Nov<br>2015  | Sch 4 (item 25): 10 Dec<br>2015 (s 2(1) item 7) | —  |
| Life Insurance<br>Supervisory Levy<br>Imposition Amendment<br>Act 2020 | 58, 2020                   | 19 June<br>2020 | 20 June 2020 (s 2(1)<br>item 1)                 | Sch 1 (item 6)   |

## Endnote 4—Amendment history

## Endnote 4—Amendment history

| Provision affected | How affected  |
|--------------------|---|
| Title.....         | am No 75, 2009  |
| s 5.....           | am No 16, 2005; No 75, 2009; No 58, 2020                            |
| s 7.....           | am No 16, 2005; No 154, 2007; No 92, 2008; No 82, 2010; No 58, 2020 |
| s 8.....           | am No 44, 1999; No 16, 2005; No 145, 2015; No 58, 2020              |