

# **Superannuation Contributions Tax (Assessment and Collection) Amendment Regulations 2003 (No. 1) 2003 No. 130**

## **EXPLANATORY STATEMENT**

### **STATUTORY RULES 2003 No. 130**

Issued by authority of the Minister for Revenue and Assistant Treasurer

*Superannuation Contributions Tax (Assessment and Collection) Act 1997*

*Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997*

Superannuation Contributions Tax (Assessment and Collection) Amendment Regulations 2003 (No. 1)

Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Amendment Regulations 2003 (No. 1)

Section 42 of the *Superannuation Contributions Tax (Assessment and Collection) Act 1997* (A&C Act) and section 37 of the *Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997* (the CPF Act), provide that the Governor-General may make Regulations prescribing matters required or permitted by the respective Acts to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the respective Acts.

Paragraph 8(5)(a) of the A&C Act and paragraph 9(6)(a) of the CPF Act provide that the actuarial value of the benefits that accrued to, and the value of the administration expenses and risk benefits provided in respect of, a member of a defined benefits superannuation scheme for the 1999-2000 financial year and later financial years is an amount worked out by an eligible actuary using the method set out in the Regulations.

Section 13 of the A&C Act requires superannuation providers to give statements to either the Commissioner or to other superannuation providers on specific matters and any other matters required by the Regulations. Section 12 of the CPF Act requires constitutionally protected superannuation providers to give information to the Commissioner on specific and any other matters required by the Regulations.

In the May 2001 Budget the Government announced changes to the A&C Act and the *Termination Payments Tax (Assessment and Collection) Act 1997* to make the transition arrangements that applied to employer eligible termination payments permanent. Consequently, from 19 August 2001 only the portion of an employer eligible termination payment that accrued after 20 August 1996 has been liable to:

- a) the superannuation contributions surcharge, if the termination payment is rolled over into a superannuation fund; or
- b) the termination payments surcharge, if the termination payment is retained by the taxpayer.

These changes were implemented by the *Superannuation Contributions Taxes and Termination Payments Tax Legislation Amendment Act 2001* (which also similarly amended the CPF Act), and

received Royal Assent on 15 August 2001. As a result, amendments were required to the regulations made under the A&C Act and the CPF Act.

The purpose of the proposed regulations is to reflect changes to the A&C Act and the CPF Act, making permanent the transition arrangements applying to the liability of employer eligible termination payments to either the superannuation contributions surcharge or the termination payments surcharge.

In particular the proposed regulations amend:

- the method for calculating the amount of surchargeable contributions for a member of a defined benefit scheme; and
- the contributed amounts information to be given to the Commissioner of Taxation and/or another superannuation provider.

Details of the amending regulations are set out in the Attachment.

The regulations commenced on gazettal.

## **ATTACHMENT**

### **Superannuation Contributions Tax (Assessment and Collection) Amendment Regulations 2003 (No. 1)**

#### **Explanation of the Amendments**

**Regulation 1** specifies the name of the regulations as the *Superannuation Contributions Tax (Assessment and Collection) Amendment Regulations 2003 (No. 1)*.

**Regulation 2** provides that the regulations commence on gazettal.

**Regulation 3** provides that Schedule 1 amends the *Superannuation Contributions Tax (Assessment and Collection) Regulations 1997*.

#### **Schedule 1 - Amendments**

Item 1 - amends clause 2 of Schedule 2 by removing from the formula for working out the amount of surchargeable contributions, reference to 'specified roll-over amount' to reflect changes in terminology in the *Superannuation Contributions Tax (Assessment and Collection) Act 1997*.

Item 2 - amends clause 2 of Schedule 2 by amending the definition of *H* so that it now includes the post 20 August 1996 component of any eligible termination payment that is rolled over into the scheme on or after 20 August 2001.

Item 3 - amends clause 2 of Schedule 2 by omitting the definition *H(1)* that is now superfluous.

Item 4 - substitutes a new description of the information to be reported under item 506 of Schedule 3.

Item 5 - substitutes a new description of the information to be reported under item 215 of Schedule 4.

Item 6 - substitutes a new description of the information to be reported under item 405 of Schedule 5.

### **Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Amendment Regulations 2003 (No. 1)**

#### **Explanation of the Amendments**

**Regulation 1** specifies the name of the regulations as the *Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Amendment Regulations 2003 (No. 1)*.

**Regulation 2** provides that the regulations commence on gazettal.

**Regulation 3** provides that Schedule 1 amends the *Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Regulations 1997*.

#### **Schedule 1 - Amendments**

Item 1 - amends clause 2 of Schedule 1 by removing from the formula for working out the amount of surchargeable contributions, reference to 'specified roll-over amount' to reflect changes in terminology in the *Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997*.

Item 2 - amends clause 2 of Schedule 1 by amending the definition of *H* so that it now includes the post 20 August 1996 component of any eligible termination payment that is rolled over into the scheme on or after 20 August 2001.

Item 3 - amends clause 2 of Schedule 1 by omitting the definition *H(1)* that is now superfluous.

Item 4 - substitutes a new description of the information to be reported under item 506 of Schedule 2.