

Superannuation (CSS) Productivity Contribution (2008-2009) Declaration 2008 - Explanatory Statement

1 Name of Determination

This declaration is the *Superannuation (CSS) Productivity Contribution (2008-2009) Declaration 2008*.

2 Commencement

This declaration shall take effect from and including 1 July 2008.

3 Background

The *Superannuation Act 1976* (the Act) makes provision for, and in relation to, the Commonwealth Superannuation Scheme (CSS) which is an occupational superannuation scheme for Commonwealth employees and for certain other persons.

Part VIA of the Act comprising sections 110A to 110S provides for a funded productivity superannuation benefit for members of the scheme.

Section 110H of the Act requires the employer of a member of the scheme who does not pay productivity contributions in respect of the member to another scheme to pay fortnightly "productivity contributions" to the CSS.

In accordance with section 110N of the Act the Australian Reward Investment Alliance (ARIA) must pay such contributions to the CSS Fund which is established by the Act.

4 Purpose and operation of instrument

The fortnightly rate of productivity contribution payable by an employer in relation to a member is set out in the Table in section 110C of the Act. This rate varies according to the member's salary. The intention is that the contribution rate be maintained at an average of 3% of salaries.

Section 110D provides that amounts of salary and contribution specified in the Table may be varied by a Declaration by ARIA in relation to a period specified in the declaration. ARIA has delegated this power to relevant officers in Commonwealth Superannuation Administration.

The Table set out in section 110C is amended with effect from 1 July each year by a Declaration by ARIA.

5 New Productivity Contribution Rates

The new productivity contribution rates to apply with effect from 1 July 2008 are set out in the declaration.

6 Consultation

As the instrument is for internal machinery of Government purposes only, no consultation was considered necessary with other persons (see sections 17 and 18 of the *Legislative Instruments Act 2003*).