



Superannuation (Productivity Benefit) (Second Interest Factor) Declaration 2013¹

I, PENELOPE YING YEN WONG, Minister for Finance and Deregulation, make the following Declaration under paragraph 3E (1) (b) of the *Superannuation (Productivity Benefit) Act 1988*.

Dated 7th May 2013

PENELOPE YING YEN WONG
Minister for Finance and Deregulation

1 Name of Declaration

This Declaration is the *Superannuation (Productivity Benefit) (Second Interest Factor) Declaration 2013*.

2 Commencement

This Declaration commences on 1 July 2013.

3 Definitions

In this Declaration:

Act means the *Superannuation (Productivity Benefit) Act 1988*.

Interest rate means a rate equal to the estimated closing yield last published by the Reserve Bank of Australia before 1 June in the financial year immediately preceding the relevant financial year in respect of 10-year non-rebate Treasury Bonds.

Number of days means:

- (a) in the case of an employee who becomes a fund employee during the relevant financial year — the number of days in the period:
 - (i) starting on the day after the last day of the last pay period for the employee ending before 1 July of the relevant financial year; and
 - (ii) ending at the end of the day on which an amount first becomes payable under section 4F of the Act; or
- (b) in the case of an employee in respect of whom an interim benefit becomes payable under section 6 of the Act during the relevant financial year — the number of days between:
 - (i) the day after the last day of the last pay period for the employee ending before 1 July of the relevant financial year; and
 - (ii) the day on which the interim benefit becomes payable; or
- (c) in the case of an employee who does not become a fund employee during the relevant financial year, and in respect of whom an interim benefit does not become payable during that year — the number of days between:
 - (i) the day following the last day of the last pay period for the employee ending before 1 July of the relevant financial year; and
 - (ii) 30 June of the relevant financial year.

Relevant financial year means a period commencing on 1 July and ending on 30 June the following calendar year, which:

- (a) commences on or after 1 July 2013; and
- (b) is the financial year to which the second interest factor is to be applied in relation to an employee under section 8A of the Act.

4 Application

This Declaration declares the second interest factor, for the purposes of section 8A of the Act, to be applied for the 2013-2014 financial year and each subsequent financial year.

Example

A person first becomes an employee on 1 May 2006, and becomes a fund member on 1 August 2014.

First, the first interest factors are applied for each financial year.

Then the second interest factors are applied for each financial year in the period between 1 July 2006 and 30 June 2013. These factors are found in previous annual Declarations.

To determine the second interest factor for the 2013-2014 financial year, apply the formula in section 5 of this Declaration, using 2013-2014 as the relevant financial year.

To determine the second interest factor for the 2014-2015 financial year, apply the formula in section 5 of this Declaration, using 2014-2015 as the relevant financial year.

5 Declared second interest factor

For section 8A of the Act, the declared second interest factor for the relevant financial year is:

$$\frac{\text{Interest rate} \times \text{Number of days}}{365}$$

Note

1. All legislative instruments and compilations are registered on the Federal Register of Legislative Instruments kept under the *Legislative Instruments Act 2003*. See www.frli.gov.au.