

## Extract from Determination relating to the Post 2000 Non-Pension Scheme

### WESTERN AUSTRALIA SALARIES AND ALLOWANCES TRIBUNAL DETERMINATIONS PURSUANT TO THE PARLIAMENTARY SUPERANNUATION ACT 1970 AND SECTION 6A OF THE SALARIES AND ALLOWANCES ACT 1975,

1 JULY 2002

#### **PREAMBLE**

The *Parliamentary Superannuation Legislation Amendment Act 2000* was proclaimed in October 2000. This Act had the effect of significantly altering the *Parliamentary Superannuation Act 1970* (the Act) and the *Salaries and Allowances Act 1975*. The resulting legislation has widened the jurisdiction of the Tribunal in respect to Parliamentary Superannuation in Western Australia.

The superannuation responsibilities of the Tribunal now cover the pre-existing contributory scheme, which closed on 10 October 2000, and the new non-contributory scheme for Members coming into the Parliament after that date. Certain Members elected prior to the closing date had the option of staying in the closed scheme or transferring to the new scheme, which is intended to provide superannuation in line with community standards.

The Tribunal gave notice, by advertisement in "The West Australian" in late September 2001, of its intention to conduct a review into those aspects of parliamentary superannuation now within its jurisdiction.

#### **CURRENT SUPERANNUATION ARRANGEMENTS**

In December 2000 the Tribunal issued a determination under Section 29 of the Act providing a Superannuation contribution rate to be made on behalf of Members at 9 per cent of basic and additional salary in accordance with Section 6(1)(a), Pβin)-(7G )8(6-0, dBa)-

makes it clear that allowances are salary or wages, unless they are fringe benefits under the Fringe Benefits Tax Assessment Act 1986.

Paragraph 7 of the Ruling refers to *"an allowance is a payment to an employee for a predetermined amount to cover an estimated expense (eg. clothing allowance) or to compensate for particular working conditions (eg. a site allowance). It is paid regardless of whether or not the employee incurs the expense."*

Superannuation in Australia is a very complex issue and the complexities multiply when attempting to prescribe uniform treatment to a range of persons in different age groups. Also, the *Superannuation (Guarantee) Administration Act 1992* poses potential difficulties, particularly with regard to allowances paid to Members. For example, electorate allowances differ and it would be unreasonable for Superannuation contributions to vary based on electoral demographics.

In reaching its determination the Tribunal has had regard to –

- a) Superannuation Guarantee Legislation
- b) Maximum Contributions Base considerations
- c) Prescribed Reasonable Benefits Limits
- d) Uniformity of application
- e) Superannuation practices generally.

Having regard for all the above factors and the administration of the superannuation benefit, the Tribunal has determined that the rate of contribution to be made on behalf of Members be increased to 12.5 per cent with effect from 1 July 2002.

A consolidation of all determinations made by the Tribunal under the Parliamentary Superannuation Act 1970 where still relevant is contained in attachment 1.

The determinations will now issue.

Signed at Perth on 1 July 2002

R H C Turner AM  
Chairman

**SALARIES AND ALLOWANCES TRIBUNAL**

J A S Mews  
Member

## WESTERN AUSTRALIA