



**TREASURER**



**NO.**

**EMBARGO** 20 August 1996 7:30 pm EST

**SUPERANNUATION CONTRIBUTIONS SURCHARGE FOR HIGHER INCOME INDIVIDUALS: ACTUARIAL ADVISORY COMMITTEE**

The Government has established an Actuarial Advisory Committee to provide advice on the implementation of the Superannuation Contributions Surcharge for Higher Income Earners announced in the 1996-97 Budget.

This surcharge will apply to deductible contributions made by or on behalf of higher income individuals to all superannuation funds, including to defined benefit funds, to Retirement Savings Accounts, to unfunded and Constitutionally protected schemes, and to 'golden handshakes'. Details of the surcharge are contained in a separate press release on the 1996-97 Budget measures on superannuation.

The Committee will be chaired by the Australian Government Actuary and its membership will also comprise Professor David Knox and two representatives nominated by the Institute of Actuaries of Australia.

The Committee has been requested to advise the Government, by 31 October 1996, on the application of the superannuation contributions surcharge for higher income earners to defined benefit schemes and unfunded and Constitutionally protected schemes, including the development of equitable mechanisms for:

- determining appropriate contribution rates for defined benefit funds for the purpose of applying the surcharge;
- ensuring any changes in defined benefits which arises from the surcharge relates only to benefits accruing after 20 August 1996 and impacts only on those members of the defined benefit fund who are liable for the surcharge; and
- achieving an appropriate tax treatment of unfunded and Constitutionally protected schemes, which impacts only on benefits accruing after 20 August 1996 in respect of those members of the scheme who are liable for the surcharge.

Following the receipt of the Committee's advice, the Government will announce further details of the application of the surcharge to defined benefit schemes, to unfunded and Constitutionally protected superannuation schemes and to 'golden handshakes'.

CANBERRA  
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