

## Submission 1

Good Morning,

In the last Parliament, Ms Kelly O'Dwyer introduced the superannuation measures now contained in the above bill.

At the time, I contacted both Ms Dwyer's office, and the Office of Parliamentary Counsel, to advise that the bill has a major flaw.

The measures attempt to stop employee salary sacrifice superannuation amounts being counted towards employer superannuation guarantee contributions. However, the bill does not address salary sacrificed amounts for fringe benefits.

For example:

*Larry has a total package of \$109,500.*

*If he takes the package wholly in cash and superannuation*

<i>Cash</i>	<i>\$100,000</i>
<i>9.5% Superannuation</i>	<i><u>9,500</u></i>
<i>Total</i>	<i>\$109,500</i>

*If Larry wants to take a laptop computer as part of his package, then unless his salary package is always calculated back to \$109,500, the following could result:*

<i>Cash</i>	<i>\$95,000</i>
<i>Laptop</i>	<i>5,000</i>
<i>9.5% x \$95,000 Superannuation</i>	<i><u>9,025</u></i>
<i>Total (short by \$475)</i>	<i>\$109,025</i>

The bill should address total remuneration, or at least salary sacrificed amounts towards fringe benefits.

Regards

Dr Peter J. Klomp

(received via email)