

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates, 16 & 17 February 2005

Question: Add 27

Topic: APRA – Superannuation Fund Terms & Conditions

Hansard Page: E115

Senator Watson asked:

It is our understanding that employers will not be required to sign up to a superannuation fund condition under the choice regime where the fund trustees can determine conditions, such as the timing of payments to the fund.

Is that right?

Answer:

Subsection 32G(2) of the *Superannuation Guarantee (Administration) Act 1992*, which takes effect from 1 July 2005 provides: “The fund chosen by the employee must be a fund to which the employer can make contributions for the benefit of the employee at the time that the choice is made.”

This provision is administered by the Australian Taxation Office. However, APRA notes that the Minister for Revenue and Assistant Treasurer issued a press release on 19 January 2005 in which he advised: “Employees can only choose a fund which will accept contributions from their employer at the time the employee chooses that fund. A fund which requires the employer to become a participating employer before they will accept contributions does not satisfy this requirement.”