

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 31 May to 2 June 2005

Question: Bud 83

Topic: APRA – AXA Employment

Hansard Page: E46

Senator Sherry asked:

Senator SHERRY—What was the effective average contribution from the employer to the fund, do you know?

Dr Roberts—I do not know. We would have to take that on notice.

Answer:

Background

The AXA Australia Staff Superannuation Plan (the Fund) has both defined benefit and defined contribution divisions. Employer contributions to defined benefit superannuation funds are based on actuarial advice. Unlike an accumulation fund, the level of those contributions does not necessarily reflect the size of individuals' retirement benefit. Rather, the retirement benefit payment is dependent on four factors: the member's final average salary; years of service; level of contributions paid by the member; and the age the member leaves the employer sponsor.

In addition, the level of employer contributions AXA made to the Fund was dependent upon whether the employer was paying that member's 3% award contribution into AXA ASSP or into the separate industry Fund (FinSuper).

Employer Contributions

For the financial years 2001–02 and 2002–03, the employer contributions to the defined benefit section of the Fund were:

AXA ASSP where AXA was not contributing to FinSuper: 9.3 per cent

AXA ASSP where AXA was contributing to FinSuper : 6.3 per cent

From 1 July 2003, the employer sponsored contributions to the defined benefit section of the Fund were:

AXA ASSP where AXA was not contributing to FinSuper: 12.8 per cent

AXA ASSP where AXA was contributing to FinSuper: 9.8 per cent