

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 29, 30 & 31 May 2007

Question: **BET 13 (ATO)**
Topic: **Superannuation Guarantee**
Hansard Page: **Written**

Senator SHERRY asked:

Ordinary time earnings for superannuation guarantee purposes is calculated on the base rate of pay, does that base rate of pay, which excludes overtime, include weekend penalties and shift arrangements?

Further, if an individual signs an AWA that removes weekend shift penalties and shift arrangements then could this have the effect of lowering their superannuation guarantee payments?

Answer:

Yes. Ordinary time earnings for superannuation purposes are simply the salary or wages paid to employees for ordinary hours of work, not including overtime. It includes over-award payments, shift allowances, weekend penalties, casual loading, commissions, etc.

If an individual enters into an AWA, superannuation guarantee payments are based on their remuneration under the AWA. Any impact on the amount of superannuation guarantee payments would depend on the terms of the particular arrangement and any changes to total ordinary time earnings under the AWA.