



**SUNsuper**

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**Private & Confidential**

Ms. Sue Morton,  
Secretary  
The Senate Select Committee on Superannuation  
Parliament House  
CANBERRA ACT 2600

Dear Sue,

**Enquiry into Superannuation  
'Choice of Fund' and Superannuation Guarantee Contributions**

I refer to our recent conversation regarding the issue of superannuation guarantee contributions and the introduction of choice of fund.

At present, under the superannuation guarantee arrangements, an employer needs to provide sufficient superannuation support for their eligible employees or pay the Superannuation Guarantee Charge (SGC) to the Australian Taxation Office. From 1<sup>st</sup> July 2002, the minimum level of superannuation support under these arrangements was 9% of the 'earnings base' applicable to an employer.

The legislation prescribes a number of 'earnings bases'.

One of these bases is the definition of salary and /or wages as provided in the trust deed of a superannuation fund to which the employer was contributing prior to 21<sup>st</sup> August 1991.

If 'Choice' were to be introduced and the employer is required to contribute to a number of superannuation funds, the position arises where a different 'earnings base' can apply to different employees. Conceivably, the employer could be making different amounts of contribution in respect of two employees both of whom earn the same salary / wage.

In this scenario, the legislative provision outlined above applies in respect of one employee who chooses to have contributions made to the employers 'pre- 21<sup>st</sup> August 1991' fund, whilst the second employee chooses another complying fund to which the employer has not previously contributed.

As discussed, I suggest that the Committee, in their deliberations on 'Choice', consider this matter.

Yours sincerely,

Richard Cooper  
Manager, Corporate Business