



NORTHERN TERRITORY OF AUSTRALIA

ADMINISTRATIVE INSTRUCTIONS

UNDER

SUPERANNUATION GUARANTEE (SAFETY NET) ACT

Consolidated Working Document Prepared by the Northern Territory
Superannuation Office

As in force from 1 July 2015

These Administrative Instructions provide instruction to the general provision of additional superannuation benefits for certain employees and office-holders in the public sector, and for related purposes under the *Superannuation Guarantee (Safety Net) Act*.

SCHEDULE

1. Administrative Instruction – Authorisation

Employees or classes of employees entitled to superannuation benefits under this Act, the method of calculating and the paying of those benefits in an efficient manner are authorised under section 5 and 6 of the *Superannuation Act*.

All additional benefits shall be paid through the Northern Territory Superannuation Supplementary Scheme (NTSSS) and shall be subject to the terms and conditions of the NTSSS and be added to the NTSSS benefit, if any, otherwise payable.

An additional benefit is payable only in respect of salary or wages as defined in the Commonwealth Act.

Where a formula used in these Administrative Instructions produces a negative amount, no additional benefit is payable.

2. Date of commencement

These Administrative Instructions take effect on and from 1 July 2015.

3. Definitions

Accrued employer Has the same meaning as in the *Superannuation component Act* (NT).

Additional benefit Means the lump sum superannuation benefit payable in accordance with these Administrative Instructions.

Average Weekly Time Earnings Means the Average Weekly Earnings for Full Adult Persons derived from Weekly Ordinary Time

Earnings for the Northern Territory as published by the Australian Statistician before the date in which they are required under these Administrative Instructions for assessment purposes.

Benefit payable Includes a benefit payable to the estate of a deceased employee in respect of that employee.

Commonwealth Act Means the *Superannuation Guarantee (Administration) Act 1992*.

CSS Means the Commonwealth Superannuation Scheme established by the *Superannuation Act 1976* (Cth).

Default superannuation fund Means the Fund nominated by the Minister from time to time for the provision of default services for

	Northern Territory public sector employer contributions.
<u>Employee</u>	Means an employee as defined in the <i>Superannuation Guarantee (Safety Net) Act</i> . The Commissioner may declare that a person or a class of persons is, or is not an employee of the Territory.
<u>Employee's Age</u>	Means the age of the employee at the employee's last day of duty or opt out date.
<u>Employer component of NTGPASS benefit</u>	Means the sum of the accrued employer component and the prospective employer component.
<u>Final salary</u>	Means the salary applicable in the NTSSS for the purpose of paying benefits from that scheme at the employee's last day of duty or opt out date.
<u>Irregular employee</u>	An irregular employee means an employee with less than 3 months continuous service.
<u>NTGPASS</u>	Means the Northern Territory Government and Public Authorities' Superannuation Scheme established by the <i>Superannuation Act</i> (NT).
<u>NTSSS</u>	Means the Northern Territory Supplementary Superannuation Scheme established by Instrument in writing signed by the Treasurer and dated 4 January 1989.
<u>Ordinary Time Earnings</u>	Means ordinary time earnings as defined in the Commonwealth Act and can include items identified in the EBA as counting for superannuation purposes.
<u>Period of service</u>	Means years (or part thereof) of full time equivalent service between SG period start date and the employee's last day of duty or opt out date. Service is to be reduced by periods of leave without pay that do not count for long service leave purposes.
<u>Prospective employer component</u>	Has the same meaning as in the <i>Superannuation Act</i> .

<u>SG Periods</u>	1 July 1992	to	30 June 1995;
	1 July 1995	to	30 June 1998;
	1 July 1998	to	30 June 2000;
	1 July 2000	to	30 June 2002;
	1 July 2002	to	30 June 2012;
	1 July 2012	to	30 June 2013;
	1 July 2013	to	30 June 2014;
	1 July 2014	to	30 June 2021;
	1 July 2021	to	30 June 2022;
	1 July 2022	to	30 June 2023;
	1 July 2023	to	30 June 2024;
	1 July 2024	to	30 June 2025.

Updated pre 1 July 1992 Ordinary Time Earnings Means the total ordinary time earnings of the employee between the period from 1 October 1988 to 30 June 1992 after the employee's earning in each financial year (other than the financial year in which employment ceases) have been indexed by the percentage movement in Average Weekly Earnings from 1 January in the relevant year to the employee's last day of duty or opt out date.

Updated post 30 June 1992 Ordinary Time Earnings Means the Ordinary Time Earnings of Territory employment between the SG Periods start date to the employee's last day of duty or opt out date, after the employee's earnings in each financial year (other than the financial year in which employment ceases) have been indexed by the percentage movement in Average Weekly Earnings from 1 January in the relevant financial year to the date of ceasing Territory employment.

4. Employees entitled to an NTGPASS benefit

Where, on cessation of employment or election to opt out of NTGPASS, an employee is entitled to an NTGPASS benefit, the additional benefit payable is the amount obtained by the formula.

SG Top Up Rate x Final Salary x Period of Service – Employer Component of NTGPASS Benefit.

SG Period Start Date	SG Top Up Rate for employees aged less than 55 years %	SG Top Up Rate for employees aged 55 years or older %	Total SG (3%+SG Top Up) %
1 July 1992	2	3	5/6
1 July 1995	1	0	6
1 July 1998	1	1	7
1 July 2000	1	1	8
1 July 2002	1	1	9
1 July 2013	0.25	0.25	9.25
1 July 2014	0.25	0.25	9.5
1 July 2021	0.5	0.5	10
1 July 2022	0.5	0.5	10.5
1 July 2023	0.5	0.5	11
1 July 2024	0.5	0.5	11.5
1 July 2025	0.5	0.5	12

Each period of service is to be calculated and added e.g. for an employee aged less than 55 with service from 1 July 1992 to 30 June 2002, would be calculated as the sum of:

- For period 1992 to 2002: 10 years service x Final Salary x 2% plus
- For period 1995 to 2002: 7 years service x Final Salary x 1% plus
- For period 1998 to 2002: 4 years service x Final Salary x 1% plus
- For period 2000 to 2002: 2 years service x Final Salary x 1%

5. Employees entitled to both a CSS benefit and a NTSSS benefit or employees (other than casuals or irregular employees) entitled to a NTSSS benefit only.

- (a) Where, on the cessation of employment or election to opt out, an employee is entitled to an NTSSS benefit and a CSS benefit comprising only the employees' CSS contributions accumulated with interest, the additional benefit payable is the amount obtained by the formula; and
- (b) Where on cessation of Territory public sector employment or election to opt out of the scheme, an employee is entitled to an NTSSS benefit only, the additional benefit payable is the amount also obtained by the following formula.

SG Top Up Rate x Final Salary x Period of Service

SG Period Start Date	SG Top Up Rate for employees aged less than 55 years %	SG Top Up Rate for employees aged 55 years or older %	Total SG (3%+SG Top Up) %
1 July 1992	2	3	5/6
1 July 1995	1	0	6
1 July 1998	1	1	7
1 July 2000	1	1	8
1 July 2002	1	1	9
1 July 2013	0.25	0.25	9.25
1 July 2014	0.25	0.25	9.5
1 July 2021	0.5	0.5	10
1 July 2022	0.5	0.5	10.5
1 July 2023	0.5	0.5	11
1 July 2024	0.5	0.5	11.5
1 July 2025	0.5	0.5	12

Each period of service is to be calculated and added e.g. for an employee aged less than 55 with service from 1 July 1992 to 30 June 2002, would be calculated as the sum of:

- For period 1992 to 2002: 10 years service x Final Salary x 2% plus
- For period 1995 to 2002: 7 years service x Final Salary x 1% plus
- For period 1998 to 2002: 4 years service x Final Salary x 1% plus
- For period 2000 to 2002: 2 years service x Final Salary x 1%

6. Employees (casuals or irregular employees) entitled to a NTSSS benefit only

Where on cessation of Territory public sector employment, an employee who has worked on a casual basis is entitled to an NTSSS benefit only. The combined NTSSS and additional benefit payable is the amount calculated by the following formula.

Updated Ordinary Time Earnings x Rate

Updated Ordinary Time Earnings	Rate for employees aged less than 55 years %	Rate for employees aged 55 years or older %	Total SG %
Post July 1992 Updated Ordinary Time Earnings	5	6	5/6
Post July 1995 Updated Ordinary Time Earnings	1	0	6
Post July 1998 Updated Ordinary Time Earnings	1	1	7
Post July 2000 Updated Ordinary Time Earnings	1	1	8
Post July 2002 Updated Ordinary Time Earnings	1	1	9
Post July 2013 Updated Ordinary Time Earnings	0.25	0.25	9.25
Post July 2014 Updated Ordinary Time Earnings	0.25	0.25	9.5
Post July 2021 Updated Ordinary Time Earnings	0.5	0.5	10
Post July 2022 Updated Ordinary Time Earnings	0.5	0.5	10.5
Post July 2023 Updated Ordinary Time Earnings	0.5	0.5	11
Post July 2024 Updated Ordinary Time Earnings	0.5	0.5	11.5
Post July 2025 Updated Ordinary Time Earnings	0.5	0.5	12

Note: Where the ordinary time earnings of an employee amount to less than \$450 in a financial year, no benefit is payable in respect of that financial year.

Each period of service is to be calculated and added e.g. for an employee aged less than 55 with service from 1 July 1992 to 30 June 2002, would be calculated as the sum of:

- For period 1992 to 2002: 10 years service x Final Salary x 5% plus
- For period 1995 to 2002: 7 years service x Final Salary x 1% plus
- For period 1998 to 2002: 4 years service x Final Salary x 1% plus
- For period 2000 to 2002: 2 years service x Final Salary x 1%

7. Supreme Court Judges

Where a person ceases to be a judge of the Supreme Court the additional benefit payable is the amount obtained by the following formula.

Rate x Judges Superannuation Salary x Period of Service – actuarial value of the scheme benefit

SG Period Start Date	Rate for employees aged less than 55 years %	Rate for employees aged 55 years or older %	Total SG %
1 July 1992	5	6	5/6
1 July 1995	1	0	6
1 July 1998	1	1	7
1 July 2000	1	1	8
1 July 2002	1	1	9
1 July 2013	0.25	0.25	9.25
1 July 2014	0.25	0.25	9.5
1 July 2021	0.5	0.5	10
1 July 2022	0.5	0.5	10.5
1 July 2023	0.5	0.5	11
1 July 2024	0.5	0.5	11.5
1 July 2025	0.5	0.5	12

Note: the “Judges Superannuation Salary” means the appropriate current judicial salary as defined in the *Supreme Court (Judges Pensions) Act*.

8. Employees who commenced service on or after 10 August 1999

Where an employee commences service on or after 10 August 1999 and is not entitled to a benefit under the *Supreme Court (Judges Pension) Act* the Territory’s liability for a Superannuation Guarantee charge in respect of the employee shall be discharged by the payment each payday (including a monthly catch up payment where eligible), into a complying accumulation type superannuation fund or Approved Deposit Fund, of an equal amount to the formula.

Monthly Ordinary Time Earning x SG Rate

SG Period Start Date	SG Rate %
On or after 10 August 1999	7
1 July 2000	8
1 July 2002	9
1 July 2013	9.25
1 July 2014	9.5
1 July 2021	10
1 July 2022	10.5
1 July 2023	11
1 July 2024	11.5
1 July 2025	12

Note:

On commencement an employee may select any complying accumulation type superannuation fund or Approved Deposit Fund which accepts electronic payments. If no complying choice is provided, employer contributions will be paid to the “default superannuation fund”.

Employees may elect to change their superannuation fund option at a later date, however the employer is only required to accept one choice in a 12 month period. Superannuation Guarantee payments are not required where an employee earned less than \$450 in a calendar month.

9. Employees not otherwise entitled to superannuation benefits

Where an employee is not entitled to a benefit from the NTSSS, CSS, NTGPASS, or a benefit under the *Legislative Assembly Members' Superannuation Fund Act*, the *Supreme Court (Judges Pensions) Act* or the *Administrators Pension Act*, or a benefit under these Administrative Instructions, and providing the employee is also not entitled to any additional benefit by virtue of another arrangement or payment discharge for a Superannuation Guarantee Charge liability, an additional benefit amount will be determined and payable after seeking independent advice.

10. Amendments to the Administrative Instructions

The Commissioner of Superannuation, and approved by the Minister, may at any time amend the Administrative Instructions in the manner set out under section 6 of the *Superannuation Guarantee (Safety Net) Act*.