



## Superannuation allowance

Ongoing MOP(S) Act employees may choose to reduce the Commonwealth's superannuation contribution from 15.4% to the amount required under the *Superannuation Guarantee (Administration) Act 1993*, currently 9.5%. In return, employees receive a superannuation allowance of 5.3881% of their ordinary time earnings

Applies to:

- ✓ Full-time employees
- ✓ Part-time employees
- ✓ On-going employees
- ✗ Non-ongoing employees
- ✗ Casual employees

### Current EA

- Ongoing employees can **enter into individual flexibility arrangements** with the Minister to receive a superannuation allowance

### Proposed changes

- To simplify the arrangements, ongoing employees will be able to **elect to receive a superannuation allowance under the EA**
- The value of the allowance will change proportionately with the superannuation contribution rate under the *Superannuation Guarantee (Administration) Act 1993*
- **Total remuneration package remains the same**

Maria is not a member of the PSSap, PSS or CSS superannuation schemes, her current ordinary time earnings are \$100,000. As a MOP(S) Act employee Maria's superannuation contribution from her employer is 15.4%, or \$15,400 per year. Maria's total remuneration package is \$115,400.



If Maria elects to take the superannuation allowance, her employer's superannuation contribution will reduce to the amount required under the *Superannuation Guarantee (Administration) Act 1993*, currently 9.5%. Maria will receive 5.3881% (\$5,388) of her ordinary time earnings as superannuation allowance. This is the difference between the 15.4% superannuation contribution and the 9.5% currently required under the Act. Maria's total ordinary time earnings are \$105,388. Her superannuation is 9.5% of this amount or \$10,012. Her total remuneration package remains at \$115,400.

Under the current EA, Maria would need to enter into an IFA with the Minister to elect to receive superannuation allowance. Under the proposed EA, Maria may elect in writing to MaPS to receive superannuation allowance.