

Northern Territory Public Sector

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Salary Sacrifice to Superannuation from 1 July 2007

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2/2007

NTPS Bulletin 03/2005 – Salary Sacrifice Packaging, provided advice, amongst other matters, that the 50% salary limit on salary sacrifice contributions into superannuation had been relaxed for employees 50 years of age or older.

As part of the Australian Government's 'Better Super' reforms, the aged based limits applying to employer and salary sacrifice superannuation contributions have been abolished. Under the 'Better Super' reforms these contributions are now referred to as concessional contributions.

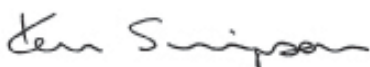
From 1 July 2007:

- an annual limit of \$50,000 will apply to concessional contributions;
- transitional arrangements will allow individuals aged 50 years and over to contribute up to \$100,000 per annum up to 30 June 2012;
- tax of 15% will apply to all concessional contributions;
- an additional tax of 31.5% will apply to concessional contributions in excess of these limits;
- tax at the top marginal tax rate will apply to all concessional contributions where a person has failed to provide their fund with their tax file number.

Additional information is available on the Australian Government's web site:
<http://www.ato.gov.au/bettersuper/>

Should you wish to vary your deductions please contact the DCIS Salary Packaging Unit on phone number 8999 1032 or email to salarypackagingunit@nt.gov.au.

NTPS employees should be aware that NTPS staff, including staff of DCIS Salary Packaging Unit, are not able to provide financial advice. You should seek independent financial advice as to how the changes to the limits for concessional contributions into superannuation affect you.



KEN SIMPSON
Commissioner for Public Employment

22 June 2007