The superannuation surcharge was a tax imposed by the Commonwealth Government on your surchargeable contributions once your income reached certain levels.

**What was the superannuation surcharge?**

The superannuation surcharge was a tax imposed by the Commonwealth Government on your surchargeable contributions once your income reached certain levels. It applied if your adjusted taxable income for the financial year exceeded the threshold set by the Australian Taxation Office. The tax was introduced on 20 August 1996 and levied until 30 June 2005.

Any surcharge liability accrued prior to 1 July 2005 will be payable when you withdraw or roll over your full entitlement upon leaving Triple S. However, you can elect to use a portion of your super entitlement to pay any outstanding surcharge liability.

**When it applied**

The surcharge applied if your adjusted taxable income exceeded the threshold set by the Australian Taxation Office, between 20 August 1996 and 30 June 2005.

**How the surcharge was calculated**

If the surcharge applied to you, it was levied on the amount of surchargeable contributions. Surchargeable contributions were the total contributions paid into your scheme by your employer and include salary sacrifice contributions, if applicable.

The surcharge rate increased on a sliding scale to a maximum level. If your income, prior to 1 July 2005, was above the maximum, you paid the surcharge at the maximum rate. (See table below for surcharge thresholds.)

**Surcharge thresholds**

The surcharge rate was reduced to zero from 1 July 2005. The minimum and maximum surcharge thresholds for the previous five years were:

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum threshold</th>
<th>Maximum threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/2001</td>
<td>$81,493</td>
<td>$98,955</td>
</tr>
<tr>
<td>2001/2002</td>
<td>$85,242</td>
<td>$103,507</td>
</tr>
<tr>
<td>2002/2003</td>
<td>$90,527</td>
<td>$109,924</td>
</tr>
<tr>
<td>2003/2004</td>
<td>$94,691</td>
<td>$114,981</td>
</tr>
<tr>
<td>2004/2005</td>
<td>$99,710</td>
<td>$121,075</td>
</tr>
</tbody>
</table>

The maximum surcharge rate prior to 30 June 2003 was 15% and was then reduced as follows:

- 2003/2004: 14.5%
- 2004/2005: 12.5%

For example, Margaret’s adjusted taxable income was $130,000 in the 2004/2005 financial year. Her surchargeable contributions were $20,000 and the surcharge rate applied was 12.5%. Therefore Margaret’s surcharge was 12.5% x $20,000 = $2,500.

**Payment options**

If you have received a Superannuation Surcharge Assessment from the Tax Office you have two options in relation to paying the surcharge:

- Paying your surcharge liability retained in Triple S
- Interest on outstanding surcharge liabilities
- Interest on your final surcharge liability

To find out more visit [www.supersa.sa.gov.au](http://www.supersa.sa.gov.au)

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**IN THIS FACT SHEET**

- You can pay it immediately, or
- Defer it until you receive your super entitlement and then pay it.

If you choose to defer payment, you will accrue interest at the 10-year Commonwealth Treasury Bond rate. Also, if you choose to defer, the total surcharge liability will not exceed 15% of the employer-funded component of your entitlement that accrued after 20 August 1986.

When you cease membership of Triple S, on application, Super SA is able to retain an amount equivalent to your surcharge debt in Triple S, subject to investment market fluctuations to meet your surcharge liability payable to the Tax Office.

**Interest on outstanding surcharge liabilities**

If a surcharge debt that has been raised in an assessment notice is not paid, interest is added to the surcharge debt by the Tax Office on 30 June each year and the Tax Office will advise you of the outstanding surcharge debt account at 30 June each year.

**Interest on your final surcharge liability**

When you receive your entitlement from the Scheme, Super SA advises the Tax Office of payment details, and the Tax Office will calculate the total amount payable in respect of the surcharge debt.

In the final calculation of an outstanding surcharge debt, an adjustment will be made to provide that no interest is added to your surcharge debt account after the date you take your entitlement.

You have three months from the date of issue by the Tax Office of your Final Liability Notice to make payment of your surcharge debt. If your final surcharge debt is not paid by the due date, the Tax Office will apply a general interest charge.

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**Paying your surcharge liability retained in Triple S**

Where you have requested Super SA to defer payment until you receive your final surcharge assessment, which is forwarded to you after you have ceased membership of Triple S, you must, once you have received your final notice from the Tax Office, forward it to Super SA within two months.

**To do this you must:**

1. Fill in the relevant sections of the “Triple S Payment of Surcharge Liability” form. (This form is available from the Super SA website and Member Services.)
2. Provide Super SA with a copy of the final surcharge notice you have received from the Tax Office.

When you receive your final surcharge assessment from the Tax Office, you must advise Super SA of your intention to “commute” to pay the surcharge debt, utilising the withheld amount. By paying the amount as a “commutation” the lump sum will not be classed as an “eligible termination payment” and will enable the surcharge debt to be paid from before-tax dollars.

The payment for the amount of the surcharge liability will be made payable to you and forwarded to you for remitting to the Tax Office with the necessary Tax Office remittance advice.

If you have elected to withhold an amount in Triple S to pay your surcharge debt and do not contact Super SA within a two-year period to arrange payment, Super SA may pay the amount set aside directly to you. If the withheld amount is subject to preservation, it will be forwarded to your nominated rollover fund.
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Further information

If you have any enquiries regarding your surcharge assessments they should be made direct to the Tax Office on 131 020.

To find out more visit www.supersa.sa.gov.au

Contact us

Address

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151 Pirie Street
Adelaide SA 5000
(Enter from Pultney Street)

Postal GPO Box 48, Adelaide, SA 5001

Call 1300 369 315

Email supersa@sa.gov.au

Website www.supersa.sa.gov.au

Disclaimer

The information in this document is intended to help you understand your entitlements in Triple S. Super SA does its best to make sure the information is accurate and up to date. However, you need to be aware that it may not include all the technical details relevant to the topic. For the complete rules of Triple S, please refer to the Southern State Superannuation Act 2009 and Southern State Superannuation Regulations 2009. The Act and accompanying Regulations set out the rules under which Triple S is administered and entitlements are paid. You can access a copy from the Super SA website.

Triple S is an exempt public sector superannuation scheme and is not regulated by the Australian Securities and Investments Commission (ASIC) or the Australian Prudential Regulation Authority (APRA). Super SA is not required to hold an Australian Financial Services Licence to provide general advice about Triple S.

The information in this document is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Super SA recommends that before making any decisions about Triple S you consider the appropriateness of this information in the context of your own objectives, financial situation and needs, read the Product Disclosure Statement (PDS) and seek financial advice from a licensed financial adviser in relation to your financial position and requirements.

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Last updated October 2013

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