



Addendum

Superannuation Guarantee Ruling

Superannuation guarantee: ordinary time earnings

This Addendum amends Superannuation Guarantee Ruling SGR 94/4 to clarify what allowances are included in salary and wages for superannuation guarantee purposes. SGR 94/4 as amended is to be read in conjunction with Superannuation Guarantee Ruling SGR 94/5.

This Addendum sets out the current practice of the Australian Taxation Office and is not concerned with a change in interpretation. Consequently, it applies from the time the *Superannuation Guarantee (Administration) Act 1992* commenced to operate.

SGR 94/4 is amended as follows:

Insert after paragraph 20:

20A. An expense allowance. An expense allowance is one which is paid with the expectation that the money will be fully expended in deriving income. For example, car allowance paid to real estate agents. This type of expense should not be included in salary or wages for superannuation guarantee purposes and it follows that these allowances do not form part of OTE.

These allowances are NOT included in salary or wages for superannuation guarantee purposes.

20B. Other allowances e.g. dirt, locality, etc. Other allowances are those which are paid to employees and are not expended in the course of the employee's work. For example, those allowances which are paid because of particular conditions applying to the job, such as height, dust or danger allowances. These do form part of salary or wages and OTE.

These allowances are included in salary or wages and OTE for superannuation guarantee purposes.

SGR 94/4

Commissioner of Taxation

26 November 2003

ATO References

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