



<b>Circular Details</b>	22-04/ 15 March 2022/ A811265
<b>Previous Circular</b>	21-07 <i>Commencement of Local Government Amendment Act 2021</i>
<b>Who should read this</b>	Councillors / General Managers / Council Governance Staff
<b>Contact</b>	Council Governance Team / 02 4428 4100 / <a href="mailto:olg@olg.nsw.gov.au">olg@olg.nsw.gov.au</a>
<b>Action required</b>	Information / Council to Implement

## Payment of councillor superannuation

### What's new or changing

- Following an amendment to the *Local Government Act 1993* (the Act) last year, councils may make payments as a contribution to a superannuation account nominated by their councillors, starting from the financial year commencing on **1 July 2022**.
- The making of superannuation contribution payments for councillors is optional and is at each council's discretion.

### What this will mean for your council

- To exercise the option of making superannuation contribution payments for their councillors, councils must first resolve at an open meeting to make superannuation contribution payments for the councillors.
- Where a council resolves to make superannuation contribution payments for its councillors, the amount of the payment is to be the amount the council would have been required to contribute under the *Commonwealth Superannuation Guarantee (Administration) Act 1992* as superannuation if the councillors were employees of the council.
- As of 1 July 2022, the superannuation guarantee rate will be 10.5%. The rate will increase by half a percent each year until 1 July 2025 when it reaches 12%.
- The superannuation contribution payment is to be paid at the same intervals as the annual fee is paid to councillors.
- To receive a superannuation contribution payment, each councillor must first nominate a superannuation account for the payment before the end of the month to which the payment relates. The superannuation account nominated by councillors must be an account for superannuation or retirement benefits from a scheme or fund to which the *Commonwealth Superannuation Guarantee (Administration) Act* applies.
- Councils **must not** make a superannuation contribution payment for a councillor if the councillor fails to nominate an eligible superannuation account for the payment before the end of the month to which the payment relates.
- Individual councillors may opt out of receiving superannuation contribution payments or opt to receive reduced payments. Councillors must do so in writing.

- Councils must not make superannuation contribution payments for councillors during any period in which they are suspended from their civic office or their right to be paid any fee or other remuneration, or expense, is suspended under the Act.
- Councillors are also not entitled to receive a superannuation contribution payment during any period in which they are not entitled to receive their fee under section 254A of the Act because they are absent.

#### **Where to go for further information**

- For further information please contact the Council Governance Team on 02 4428 4100 or by email at [olg@olg.nsw.gov.au](mailto:olg@olg.nsw.gov.au).

**Melanie Hawyes**

**Deputy Secretary, Crown Lands and Local Government**