

# Superannuation Update

## Employer's Obligations

- Superannuation guarantee (SG) needs to be paid at least quarterly
- Superannuation is 10.50 % of gross wages for eligible employees. It needs to be paid to a complying superannuation provider.
- If an employee salary sacrifices to super – the payment must be made by the employer monthly
- A record needs to be kept of all contributions made.
- A record must be kept of when, what and how you report to your employees.
- If paying after 1/7/22 for work completed prior to that date, super is calculated on new rules not the rules applicable at the time the work was done.
- SGC applies if you have a NDIS plan that you manage yourself, and you hire a carer or domestic worker.
- Super is payable for temporary residents such as backpackers.

## Exceptions:

Employers do not have to make super contributions for employees who are:

- under 18, and working less than 30 hours a week
- paid to do work of a private/domestic nature for less than 30 hours a week
- non-residents working outside Australia
- resident employees for a non-resident employer working outside Australia
- foreign executives working in Australia with a temporary entry permit (class2)
- working in the defence force reserve

- receiving payment under the Community Development Employment Program.

## Choice of Superannuation Fund

Most employees are now able to choose the superannuation fund for their compulsory Superannuation Guarantee contributions. Employers need to:

- Identify employees who are eligible to be offered choice of superannuation fund. Generally, you must offer choice of superannuation to an employee unless you make super contributions for that employee under a state award or industrial agreement, a certified agreement or an Australian Workplace Agreement.
- Provide a Standard Choice form to each eligible employee and new employees within 28 days of starting work. If employees fail to return their standard choice form, then contributions should be made to your employer fund. Keep a record of giving this form to your employees.
- Get ready to make contributions to the employee's chosen fund within two months of receiving their choice. After this, any superannuation guarantee contributions you make for that employee must be to their chosen fund.

## Due Dates

The dates are:

Quarter	Cut off dates for Contributions
1 July – 30 September	28 October
1 October – 31 December	28 January
1 January – 31 March	28 April
1 April – 30 June	28 July

If you fail to meet your obligations under the superannuation guarantee legislation, you will have to pay the superannuation guarantee charge, as well as additional penalties

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## Ordinary time earnings:

What is included in ordinary time earnings and what is excluded?

TYPES OF EARNINGS INCLUDED	TYPES OF EARNINGS EXCLUDED
Normal wages	Overtime payments
Directors' fees	'Christmas' bonuses and 'ex gratia payments'
Remuneration while on annual leave, sick leave or long service leave	Payments in lieu of notice
Allowances (not reimbursement of expenses)	Redundancy payments
Bonuses calculated by reference to work undertaken / sales made during ordinary hours of work	Payments when on maternity or paternity leave
Casual loading	Lump sums paid for accrued annual leave, accrued long service leave or accrued sick leave on termination of employment
Government (wage) subsidies	Workers' compensation payments
Top-up payments or accident make-up payments when the employee works	Top-up payments or accident make-up payments when the employee does not work
	Top up payments, e.g. when serving on jury duty or with reserve forces, etc.
	Benefits subject to tax under the Fringe Benefits Tax Assessment Act 1986
	Payments by way of restraint of trade
	Reimbursement of expenses
	Annual leave loading

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