SUPERANNUATION

Superannuation is the the main way most people save for their retirement. The more an individual contribute during the working life, the more they'll have for the retirement.

For most people, super begins when they start work and their employer starts paying a percentage of the salary or wages into the super fund. The employer pays super on top of the wages.

Employees/Individuals can also make additional voluntary contributions up to a cap.



Super Guarantee:

Any employer is required to pay super guarantee at 11% (for FY2023-24) on the amount of earnings paid to the **employees** regardless of how much they are paid.

Before 1 July 2022, employer did not have to pay super guarantee for a worker earning less than $450 a month. But now, must pay regardless of their earnings.

Employees are,

- 18 years or older
- Under 18 years old, if they work more than 30 hours in a week.

All employees are eligible for super guarantee whether they,

- full time, part time or casual
- receiving a super pension or annuity while working (this includes employees on transition to retirement)
- a temporary resident, such as a backpacker
- a company director
- a family member working in your business.

Super Guarantee Payments:

Employer can pay Super Guarantee at least 4 times a year. Quarterly super payment due dates are as below.

Quarter	Period	Payment due date
1	1 July – 30 September	28 October
2	1 October – 31 December	28 January
3	1 January – 31 March	28 April
4	1 April – 30 June	28 July

When a super due date falls on a weekend or public holiday, the contribution must be received by the fund on or before the next business day.

The employers can also make payments more frequently than quarterly, for example fortnightly or monthly. If they do, the total super guarantee (SG) contribution for the quarter must be paid by the due date.

The missed or late super payments are not tax deductible.

Super Guarantee Charge (SGC):

The super guarantee charge (SGC) applies when employers ***don't pay the super guarantee (SG)*** in full for their eligible employees to the ***correct fund by the due date.***

The Super Guarantee Charge is more than the super the employer would have otherwise paid to the employee's fund and is **not tax deductible.**

The SGC includes –

- the super guarantee shortfall made up of
  SG calculated on salary and wages (including any overtime)
  any choice liability, based on the shortfall and capped at $500

- nominal interest of 10% per annum (accrues from the start of the relevant quarter)
- an administration fee of $20 per employee, per quarter.

To work out SGC, you can use the spreadsheet in ATO: https://www.ato.gov.au/forms-and-instructions/super-guarantee-charge-sgc-statement