

A New Year reminder to help employers (including self-employed contractors) meet your super obligations!



With 2016 well and truly in full swing, it is important to note some timely reminders to help you meet your superannuation obligations for the year ahead. Here is a summary of what to consider to help you and your business meet its obligations and help avoid any unwanted penalties from the Australian Tax Office.

Superannuation Guarantee (SG) payment requirements

The SG minimum payment amount for employers on behalf eligible employees is **9.5% of an employee's Ordinary Time Earnings (OTE)***. This is scheduled to remain at 9.5% until 1 July 2021.

Whilst principles of self-employed or unincorporated partnership contractors are not required to pay the SG minimum payment amount on their behalf, they are required to pay the SG minimum payment rate on behalf of eligible employees.

OTE* generally includes:

- ✓ Weekly wage/salary rate
- ✓ Travel time payments and travel allowances
- ✓ Casual additional rate/loading
- ✓ Productivity allowances
- ✓ Public holiday payments
- ✓ Annual leave payments
- ✓ Shift allowances
- ✓ Personal/Carers leave
- ✓ Compassionate leave
- ✓ First Aid Allowance
- ✓ Over-Agreement/Award payments
- ✓ Payments in lieu of notice
- ✓ and any other amounts deemed as OTE under the relevant legislation*.

OTE* generally does not include:

- Overtime payments
- Living Away Allowance
- Fares and excess fares allowances
- Workers' Compensation payments
- Annual leave loading
- Redundancy payments

- Entitlements paid upon termination of employment
- Fringe Benefits Tax benefits.

***Please note this list is not exhaustive. Please refer to the ATO Superannuation Guarantee Ruling, SGR 2009/2 for further information about OTE.**

Employers are required to pay SG for eligible employees who are over 18 years of age (if under 18, work 30 hours a week or more) and earn \$450 (pre-tax) or over per month, regardless if they are working full-time, part-time or casual. There is no upper age limit for SG payment for eligible employees.

Whilst the SG minimum amount remains frozen until 2021, the updated ATO superannuation thresholds show the **maximum contributions earnings base for eligible employees has risen to \$50,810 per quarter, from 1 July 2015.**

Contributions to most super funds are required to be made on a monthly basis. However, in order to avoid any ATO penalties that may apply to the payment of SG payments, **it's important to ensure the correct SG payments are made and received by the super fund(s) by the 28th day of the month following the end of each calendar quarter.** As an example, SG payments due for the current period 1 January 2016 to 31 March 2016 must be paid and received by 28 April 2016.

Voluntary employee after-tax contributions that are authorised and deducted from an employee's salary or wages and paid to a super fund must be paid within 28 days after the end of the month in which the deduction applies and is authorised.

The SuperStream deadline is fast approaching for small employers...

the Australian Taxation Office is reminding small employers of their requirements and the timeframe in order to meet the SuperStream requirements, which commenced from 1 July 2014 and will eventually require all employers to make super payments and send the applicable payment data electronically. As a reminder:

- **Smaller employers (having 19 or less employees)** must have the new requirements in place by **1 July 2016.**
- **Medium to large employers (having 20 or more employees)** must now have the new requirements in place, as of 31 October 2015 (extended from 1 July 2015).

So, if you are a small employer (having 19 or less employees) and have not already commenced your SuperStream implementation, it is important to prepare now to ensure you are able to comply and meet the upcoming requirements by the necessary timeframe.

NESS Super can help participating employers meet the Government SuperStream requirements with the SCH Online clearing house solution at NO ADDITIONAL COST TO EMPLOYERS.



To find out more about how NESS Super can help you and your business meet its super obligations, including the SCH Online clearing house solution for the Government SuperStream requirements, please contact Mynas Leontios, NESS Super's employer service representative on 0448 432 443 or by email at mynasl@neca.asn.au

At NESS Super, we are here to help.

NESS Super is the industry specific fund totally dedicated to the electrotechnology and aligned industries.

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