

Superannuation – Guide for Employers

Who pays Superannuation?

In addition to employees' salaries and wages, employers are required to pay super contributions on behalf of all their eligible employees. This compulsory contribution is the superannuation guarantee. It requires you to pay super for your eligible employees, contribute to the correct super funds, and pay contributions by the cut-off date each quarter. The minimum super amount is paid based on the employee's ordinary times earnings. **NOTE: You may also need to pay super for any employees who are visiting Australia on a temporary resident visa.**

There is no superannuation guarantee liability for:

- Employee service where under 30 hours per week earned for those under 18 years old
- Monthly salary or wages are less than \$450 for that employee
- For salary greater than \$197,680 p.a.

How much super do you have to pay?

Date	Rate
1 July 2017 – 30 June 2018	9.50%
1 July 2018 – 30 June 2021	9.50%
From 1 July 2021	10.0%
From 1 July 2025	12.0%

Reporting Superannuation

From 1 July 2009, any superannuation contributions made for an employee above the rate set by superannuation guarantee will need to be included on the employee's annual Pay As You Go Payment Summary as "Reportable Employer Superannuation Contributions" or "RESC". This includes any

We would recommend that as an employer you make sure that your employees are aware of these changes, and we would recommend you factor these into your employee salary packages where possible.

When must you pay superannuation?

As an employer, you must pay your superannuation obligations within 28 days of the end of the quarter. These obligations are for all employees, including directors of companies who are drawing a wage. You may pay your superannuation obligations more frequently than this if you so choose.

Penalties for Non-Compliance

If you do not comply with the regulations you will be subject to the Superannuation Guarantee Charge, and penalties and interest will apply. Also, the contributions and penalties will not be considered to be tax deductible to your business.

Maximum Deductible Contributions as a Self-Employed Person

If you are self-employed, you may still make personal deductions to your own superannuation and claim a tax deduction for them provided they are less than your concessional cap for the year. However, your "employment income" must be less than 10% of your total income for the year in which the contribution is made.

salary sacrificed superannuation contributions, and any other contributions where the employee may have influenced the amount of superannuation paid.

Contact Prosperity Accountants team today at
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5199 for assistance.

The information contained in this Business Guide is not exhaustive and is based on conditions prevailing at the time of publication. Users are advised to consult professionals before taking any formal action. While all reasonable care has been taken in the preparation of the publication, we do not accept any responsibility for any errors it may contain, whether caused by negligence or otherwise, or for any loss, however, caused, or sustained by any person that relies on it.

Note: This information is of a general nature only and is not intended to be relied upon, nor to be a substitute for, specific professional advice. Also as changes in legislation may occur quickly we recommend that our formal advice be sought before acting in any of the above areas.

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