

# Employer super responsibilities



## Step-by-step guide

Updated for July 2023

With the pace of business seemingly getting faster all the time, it can be difficult to get through all the tasks on your to-do list of business obligations. Making the correct quarterly super contributions on behalf of your employees can be an easy one to get wrong – or even forget.

To make things a little easier, here's a quick reminder list of the important steps when it comes to your super contribution obligations and reporting.

## 1. Review eligibility for super contributions

- Check you are making super contributions for all your eligible employees aged 18 and over. Prior to 30 June 2022, your employees needed to earn \$450 per month (before tax) to be eligible for SG contributions. This income threshold was removed from 1 July 2022.
  - Check if any of your employees aged under 18 are eligible for SG contributions. If they work more than 30 hours per week, they are eligible to receive SG contributions on top of their wages.
  - Ensure you are making SG contributions for any company directors and family members working in your business.
  - Check if any of your contractors are considered employees under super law, as they may be eligible for SG payments, even if they quote an Australian Business Number (ABN).
  - Ensure you have documentation in place noting how and on what basis you determined a worker was a contractor in case of a future audit by the ATO.
  - Check if you need to apply for a **Certification of Coverage** for any employees you have sent to work overseas.
-  Learn about **eligibility for Super Guarantee (SG) contributions**.
  -  Learn about **contractors considered employees for super purposes**.

## 2. Get your super contributions right

- Ensure you are calculating your SG contributions at the correct rate (11% of an employee's ordinary time earnings (OTE) in 2023–24).
- Review the award each employee is working under to ensure you meet all the super requirements. Some awards require super contributions to be higher than 11%.
- Check the OTE base amount for your SG calculations includes employees' regular wages plus any shift loading; commission; piece-rates; annual, sick and long service leave; bonuses and necessary allowances.
- Ensure your OTE base amount does not include overtime (other than where there are no ordinary hours of work in the award or agreement, or overtime is not separated from other hours); expense allowances expected to be used in full; on-call allowances outside ordinary hours of work; expense reimbursements; payments for unfair dismissal; jury top-up and parental leave payments; and termination payments for accrued annual leave or long-service leave.
- Check the quarterly **Maximum Super Contributions Base** for any high-income employees (\$62,270 per quarter in 2023–24).
- Check whether an employee with several jobs has provided you with an **Employer SG Shortfall Exemption Certificate** releasing you from your SG obligations.
- Verify all your calculations to ensure you are paying the right SG amount for the quarter for each employee.
- Maintain detailed records of how you calculated your quarterly SG contribution amounts.
- Learn about **calculating your employees' SG contributions**.

### 3. Collect information on your super contributions



- Ensure you have detailed records covering all aspects of your employees' eligibility for super contributions (including SG, salary-sacrifice, and personal contributions).
- Ensure new eligible employees have been given a **Superannuation Standard Choice Form** (including details of your nominated default super fund) within 28 days of starting employment with you.
- Check you have provided existing employees with a Superannuation Standard Choice Form within 28 days of receiving a request for one.
- Request from the ATO the **stapled super fund** details for new employees failing to choose a super fund. This includes employees ineligible to choose their own fund (such as temporary residents and those covered by an enterprise agreement or workplace determination made before 1 January 2021).
- Warn new employees who have not completed a Superannuation Standard Choice Form you are required to pay SG contributions into their stapled fund, and if they do not have a stapled fund, contributions will be paid to your business' default super fund.
- Ensure you don't influence an employee's choice of fund or provide anything other than factual information about your business' default fund.
- Ensure you don't provide advice to your employees about issues like which super fund to choose, their personal level of contributions, or consolidating their super.
- Verify whether the super fund or retirement savings account (RSA) into which you are making contributions meets the rules for MySuper products and choice of super fund.
- Ensure you send a new employee's tax file number (TFN) to their super fund no later than the day on which you make the first contribution for them, or within 14 days of receiving the TFN if it's not available at the time of the first contribution.

 Learn about **offering choice of fund**.

 Learn about **choosing a default fund**.



## 4. Pay your contributions by the deadline


- Ensure you know the quarterly deadlines for your SG contributions and reporting
- Mark the deadlines on the calendar. Contributions must be made at least four times a year (deadlines are 28 October, 28 January, 28 April and 28 July), but if you become a participating employer, some super funds require more frequent contributions
- Check the processing time needed by your clearing house. SG contributions are considered paid when they are received by the super fund, not when you pay them.
- Consider paying compulsory SG contributions whenever you pay your employees to smooth the cash flow impact
- Ensure you make payments into an employee's chosen super fund within two months of receiving a valid fund choice.
- Pay SG contributions before the deadline to ensure you can claim a tax deduction against your business income.
- Avoid paying the Super Guarantee Charge (which is not tax deductible), by making your contributions on time.
-  Learn about [\*deadlines for employee contributions.\*](#)
-  Learn about [\*penalties for not meeting your obligations.\*](#)

### Need to know


The government plans to pass reform that will require super contributions to be paid at the same time as wages from 1 July 2026.

This means that contribution deadlines will change from the current quarterly frequency to match the frequency employees are paid – be that weekly, fortnightly, or monthly.


## 5. Make contributions to the right super funds

- Collect the ABN of each employee's chosen super fund and its unique superannuation identifier (USI).
- For employees with an SMSF, collect the TFN and ABN of their SMSF, together with its bank account details and electronic service address.
- Avoid making contributions until your employee has joined their super fund.
- Ensure you have made an SG contribution into the employee's stapled fund or your business' default super fund (if the employee does not have a stapled fund) prior to the quarterly deadline if you are still waiting for a completed *Standard Choice Form*.
- Ensure you are making SG contributions to a complying super fund. If they are not, your contributions won't be counted towards meeting your SG obligations.
-  Learn about ***choosing a default super fund.***

## 6. Report and pay your contributions electronically

- Ensure your super payments and reporting details meet the ATO's rules for SG contributions.
  - Ensure your system is correctly set up to make SG contributions through SuperStream, as employers must send their payments and data electronically in a specified format.
  - Choose one of the three options for submitting contribution data via SuperStream (your payroll software, super fund online system, or a super clearing house).
  - Confirm your contribution information is correct and complete before sending it to the clearing house or super fund.
  - Pay your super contributions via EFT or BPAY if you choose not to pay when you electronically submit your quarterly contribution data.
  - Send both your payment and data to SuperStream on the same day to ensure the super funds can easily reconcile your payment and information.
  - Consider using the free Small Business Super Clearing House (SBSCH) if you are eligible, as your SG obligations are considered satisfied when the SBSCH accepts your payment.
-  Learn about [\*tools for managing employee contributions.\*](#)

## 7. Maintain accurate records about your contributions and reporting

- Establish an effective record-keeping system to collect all the necessary information about your quarterly super contribution payments and reporting.
- Ensure you keep records showing you have met your SG obligations.
- Ensure you have accurate records written in English, or records that can be easily accessed and converted into English and, if electronic, have software that can access older files.
- Check you are not including super contributions in your employees' annual payment summary as reportable fringe benefits.
- Verify you hold a letter of compliance from each super fund confirming it is a complying super fund.
- Retain the necessary documentation to support your tax deduction claims for SG contributions.
- Maintain records demonstrating you offered all eligible employees the choice of super fund.
- Keep records for five years showing the details of any employees who are not eligible for choice of fund.
- Maintain records showing contributions were made to the employee's chosen super fund, their stapled fund, or the business' default fund. Under the Fair Work Act you are obliged to include super contribution amounts on employee payslips.
- Retain records for five years showing how much super you paid, how it was calculated and that the super fund received your contributions
- Ensure you have written records and an effective arrangement in place if you make salary sacrifice contributions for an employee.
- Retain your salary-sacrifice records for five years.
- Confirm you hold all the necessary information about salary sacrifice payments so it can be included on the employee's annual payment summary as **Reportable Employer Super Contributions (RESC)**.
-  Learn about **claiming a tax deduction for employee super contributions** and **recordkeeping for employee contributions**.