

Employer Guide

Your super obligations

July 2024

The Super Guarantee (SG) system

You're required to pay compulsory super contributions of 11.5% of your employee's ordinary times earnings (OTE).

Who's eligible?

All employees aged over 18 years who:

- Work on a full-time, part-time or casual basis.

All employees who are under 18 years who:

- Work 30 hours or more in a week on a full-time, part-time or casual basis.

Contractors

- If a contract is wholly or principally for labour, you are required to pay the contractor SG. A contract can be verbal or in writing and labour can include physical labour and mental or artistic effort.

Temporary Residents

- If you employ temporary residents who meet any of the above conditions you must make super contributions for them.

What qualifies as ordinary earnings?

Working out ordinary earnings isn't always straightforward. If your employees have complex salary packages – with loadings, allowances or commissions for example – working out ordinary time earnings becomes a little more difficult. But the checklist overleaf aims to help make it simpler, and shows the payments that count as salary or wages and ordinary time earnings. Remember, it's a summary and provides general guidance only.

If you're not sure whether you're making the right SG payments, visit ato.gov.au



call 1800 675 839

visit primesuper.com.au

email administration@primesuper.com.au



Prime Super

Payment types	Counted as: salary or wages?	Counted as: ordinary time earnings?
Awards and agreements		
No ordinary hours of work stipulated	Yes	Yes
Overtime – general	Yes	No
Overtime – based on award ‘hourly driving rates’	Yes	No
Overtime – casual, due to a ‘bandwidth’ clause	Yes	No
Overtime – where an agreement overrides an award to remove distinction between ordinary and other hours	Yes	Yes
Piece-rates – no ordinary hours of work	Yes	Yes
Shift-loadings – casual	Yes	Yes
Allowances		
Danger allowances	Yes	Yes
Expense allowance expected to be full used	No	No
On-call allowance for doctors in relation to ordinary hours of work	Yes	Yes
Retention allowance	Yes	Yes
Unconditional extra payments	Yes	Yes
Payment of expenses		
General reimbursement	No	No
Petty cash	No	No
Travel costs	No	No
Unfair dismissal payments	No	No
Workers’ compensation – not working	No	No
Workers’ compensation – returned to work	Yes	Yes
Leave payments		
Ancillary leave (jury duty, defence forces reserves leave)	No ¹	No
Annual leave, sick leave or long service leave	Yes	Yes
Parental leave (maternity, paternity, adoption)	No ¹	No
Termination payments		
In lieu of notice	Yes	Yes
Unused annual leave	Yes	No
Bonuses		
Bonuses relating to overtime only	Yes	No
Christmas	Yes	Yes
Ex-gratia but relating to ordinary hours of work	Yes	Yes
Performance	Yes	Yes

Source: ATO, Super for Employers <https://www.ato.gov.au/business/super-for-employers/paying-super-contributions/how-much-super-to-pay/list-of-payments-that-are-ordinary-time-earnings/>

¹ These payments are specifically excluded from being ‘salary or wages’ for superannuation guarantee purposes; however, they may be ‘salary or wages’ for income tax purposes.

When do I need to pay?

You need to pay your SG contributions from the first day an employee starts working for you. SG contributions should be made at least once every quarter.

Quarter	Period	Payment cut-off 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

If you don't meet these deadlines the ATO will charge you late payment fees. You'll also be charged fees by the ATO if you don't pay the correct amount or to the correct fund and you won't be able to claim a tax deduction for your employee contributions.

How do I make SG contribution payments?

SuperStream

The federal government standards require you to pay your employees' super electronically, but Prime Super can easily help you with your obligations. Prime Super has a clearing house solution to help ensure you are compliant. If you aren't making contributions online you should sign-up for EmployerOnline, via the Prime Super website to get started.

EmployerOnline

A straightforward, safe and efficient way to manage contribution payments, member details and records. Contact your local Prime Super Regional Manager if you'd like any support or assistance using the system – we'll be happy to talk you through step-by-step.

Clearing house

The Prime Super clearing house service allows employers to pay all their super contributions in a single online payment.² The clearing house then distributes employee super payments to all the funds on your behalf.

Simple, convenient & free

- Pay contributions to multiple superannuation funds from a single website and make a single payment.
- Keep track of payments easily. View contribution histories online for both Prime Super members and for members of all other funds using your EmployerOnline login.
- Import compatible payroll files seamlessly into the system.
- Export contribution data and employee data in various formats.
- Simple and easy re-hire functionality, useful for casual and seasonal workers.
- Ability to pay to self-managed super funds.
- Easy payments available via BPAY or Authorised Bank Transfer (self-initiated direct debit).
- On-the-ground support provided by a dedicated Regional Manager to help get you started.

Get started

Once you've set up EmployerOnline you'll be able to take full advantage of our clearing house service (just follow the prompts online). This means you'll be able to pay multiple employee funds through one single contribution payment – it couldn't be easier.

Payment methods

Both our clearing house and EmployerOnline allow you to make payments in a range of ways, which are all SuperStream compliant. You can choose to use:

1. Authorised Bank Transfer
2. Electronic Fund Transfer
3. BPAY
 - > Biller code: 58457
 - > Reference number: log on to your online services or call us on 1800 675 8392.

Providing your employee's TFNs

When an employee starts work for you, they'll normally complete an ATO form that contains their TFN. Once they have given you this form, please pass on their TFN to us:

- within 14 days of the employee giving you the form, or
- when you make the first SG contribution on their behalf.

The ATO may fine you if you're late providing an employee's TFN. Privacy laws do not allow you to give us a copy of the ATO's form but do allow you to pass the TFN itself onto your employee's super fund.

Data accuracy

When paying super, it's crucial that you use accurate employee details each time you enter data on their behalf. This enables us to get in contact with them about their account and importantly helps to ensure they never lose track of their retirement savings.

Using your office email address or your office phone number could also open you up to a privacy breach, should you receive confidential information by accident. To make sure you're on the right track when entering data – follow these easy tips.

Tips for entering employee data

- ✓ Make sure it's accurate
- ✓ Don't use your email address
- ✓ Enter employee's mobile no.
- ✓ Use employee's postal address

² The Prime Super clearing house service is provided by SCH Online. SCH Online is operated by The Superannuation Clearing House Pty Limited (ABN 15 086 576 721, AR 290290) issued by Pacific Custodians Pty Limited (ABN 66 009 682 866, AFSL 295142). Separate terms and conditions apply. Please refer to the Superannuation Clearing House Pty Ltd's Financial Services Guide and refer to the SCH Online PDS available from sch-online.com.au for more details..

Super contributions

Prime Super can accept the following payments, please contact the ATO on 13 10 20 or visit their website to find out more:

1. Employer contributions.
2. Voluntary contributions – additional contributions employees make to boost their savings which can be made before (concessional) or after (non-concessional) tax. The government limits the amount of voluntary contributions you can make.
3. Rollovers & transfers from different funds.
4. Spouse contributions & contribution splitting.
5. Government co-contributions – your employees could qualify if they're low income earners and make voluntary after tax contributions.
6. Low income super tax offset contribution directly into their super.

Employees choice of fund

Super Stapling

The introduction of super stapling effective 1 November 2021 meant employees are 'stapled' to a super fund for life, unless they change their super fund. Employers are required to make a superannuation contribution to the employee's chosen complying fund. Refer to the 'Next Steps' for more information.

Who's eligible?

Employees that are:

- Employed under a Federal award
- Employed under a former State award (known as a Notional Agreement Preserving State Award)
- Employed under another award or industrial agreement that does not require super support
- Not employed under any state award or industrial agreement (including contractors who are regarded as eligible employees for super)

All employees that you are already paying super contributions for, under or in accordance with, a:

- State industrial award
- Preserved State agreement
- Federal industrial agreement such as an AWA
- Pre-reform AWA, pre-reform certified agreement, collective agreement
- Old IR agreement, Individual transitional employment agreement
- Workplace determination or enterprise agreement (these are defined terms in Federal industrial relations law)

Please note that this list is not exhaustive. Refer to ato.gov.au for further information.

Next steps

1. Provide a Choice of fund form which includes details of an eligible MySuper default fund to the employee within 28 days of commencing employment (You can use the Choice of Fund form from primesuper.com.au or the ATO website).
2. If the employee does not make a choice of fund, you must locate their 'stapled fund' from the ATO online portal.
3. Make the contribution to the chosen fund stipulated in the Choice of fund or 'stapled' fund via the relevant clearing house.

Existing eligible employees can change their choice of fund as often as they like. However, you only have to accept a new choice from them once in any 12-month period.

You do not need to give employees who are temporary residents a standard choice form, but they do have the right to request one if they want to pick their own fund.

Find out more

We're committed to helping you grow, manage and protect your wealth and retirement income. If you have any questions about co-contributions please see:

-  1800 675 839
-  primesuper.com.au
-  administration@primesuper.com.au
-  Prime Super, Locked Bag 5103, Parramatta, NSW 2124