

Superannuation Guarantee

Superannuation is money you pay eligible workers to provide for their retirement. Super guarantee (SG) is the minimum amount you must pay to avoid penalty.

Recently the rules have changed:

1. Requirement to pay SG:
Before 1/7/2022 employers only had to pay SG if the employee earned more than \$450 per month.
From 1/7/2022 you have to pay SG for all workers over 18, if the employee is under 18 you only pay SG if they work more than 30 hours per week.
www.ato.gov.au/business/super-for-employers/work-out-if-you-have-to-pay-super/
2. Payment rates:
From 1/7/2022 the SG is 10.5% of ordinary time earnings, with the rate increasing by 0.5% each year until 2025.

1/7/2022-30/6/2023	10.50%
1/7/2023-30/6/2024	11.00%
1/7/2024-30/6/2025	11.50%
1/7/2025 onwards	12.00%

www.ato.gov.au/Business/Super-for-employers/

Penalties apply if super payments are made late, and it is important that the funds are received by the Super fund by the due date, not just that they are paid by the employer by this date. Payments must be made at least quarterly and are due by day 28 of the month following the end of the quarter. For example, if you are paying SG for the period 1 July to 30 September, payment must be received by the fund by 28 October.

SG payments must be made electronically. Most P&Cs qualify to use the Small Business Superannuation Clearing house, a free and easy way to report.

www.ato.gov.au/Business/super-for-employers/paying-super-contributions/how-to-pay-super/small-business-superannuation-clearing-house/

The ATO has an SG Employer obligations online course that might be helpful to P&Cs:

www.ato.gov.au/Business/Super-for-employers/Super-guarantee-employer-obligations-course/

For the most up-to-date information please refer to the ATO website.