



## Super for employers

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- <https://www.ato.gov.au/Business/Super-for-employers/>
- Last modified: 30 Jun 2021
- QC 33737

Superannuation is money you pay eligible workers to provide for their retirement.

Super guarantee (SG) is the minimum amount you must pay to avoid the super guarantee charge. Super guarantee is 10% of an employee's ordinary time earnings.

In this section

- [Work out if you have to pay super](#)
- [Setting up super for your business](#)
- [Paying super contributions](#)
- [Missed and late super guarantee payments](#)
- [Super obligations for employers checklist](#)

Watch the video for more details about your super obligations:

Media: Super obligations for employers

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubir38mw> (Duration: 01:32)

## Work out if you have to pay super

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- <https://www.ato.gov.au/Business/Super-for-employers/Work-out-if-you-have-to-pay-super/>
- Last modified: 26 May 2021
- QC 33749

Generally, if you pay an employee \$450 or more (before tax) in salary or wages in a calendar month, you must also pay super guarantee for them. Salary or wages includes any overtime.

On this page

- [Eligibility](#)
- [Employees aged under 18](#)
- [Domestic or private workers](#)
- [Contractors](#)
- [International workers](#)
- [Self-employed](#)
- [High income earners who opt out of super](#)

## Eligibility

Generally, all employees are eligible for super. It doesn't matter if the employee is:

- full-time, part-time or casual
- receiving a super pension or annuity while working (this includes employees on transition to retirement)
- a temporary resident, such as a backpacker
- a company director
- a family member working in your business.

There are additional eligibility rules for some employees. These are explained below.

You can use the eligibility tool to work out if you have to pay super for a worker.

[Super guarantee eligibility tool](#)

## Employees aged under 18

You must pay super for an employee aged under 18 years if:

- they work for you more than 30 hours per week
- you pay them \$450 or more (before tax) in wages or salary in a calendar month.

## Domestic or private workers

Domestic or private workers do work:

- relating personally to you (not to a business of yours)
- relating to your home, household affairs or family – such as a nanny, housekeeper or carer.

You must pay super on payment for work of a domestic or private nature if:

- they work for you more than 30 hours per week

- you pay them \$450 or more (before tax) in wages or salary in a calendar month.

You may also have to pay super for domestic workers or carers if the following both apply:

- you have a [National Disability Insurance Scheme \(NDIS\)](#) plan that you manage yourself
- you use your funds to hire a carer or other domestic worker.

## Contractors

You must pay [super for contractors](#) if:

- you pay them mainly for their labour
- you pay them \$450 or more (before tax) in a calendar month.

This is the case even if they quote an Australian business number (ABN).

## International workers

Your worker is eligible for super even if they are a temporary resident, such as a backpacker or a working holiday maker.

If you send an Australian employee to work temporarily in another country, you must continue to pay super contributions for them in Australia.

For employees working overseas, you can apply for a [certificate of coverage](#) so you don't have to pay super in the other country as well.

However, you do not have to pay super for:

- non-resident employees who work outside Australia
- some foreign executives who hold certain visas or entry permits (phone us on 13 10 20 for information)
- employees temporarily working in Australia who are covered by a bilateral super agreement. You must keep a copy of the employee's certificate of coverage to prove the exemption.

If you're a non-resident employer, you do not have to pay super for resident employees for work they do outside Australia.

## Self-employed

If you're self-employed as a [Sole trader or in a partnership](#), you do not have to pay super guarantee for yourself.

## Armed forces reservists

You do not have to pay super for members of the army, naval or air force reserve for work carried out in that role.

## High income earners who opt out of super

You do not have to pay super for [high-income earners working for multiple employers](#) who ask you not to pay super guarantee to them.

You must have an SG employer shortfall exemption certificate for the employee. We will send you the certificate after the employee has applied to us to opt out.

## Super for employees working overseas – certificate of coverage

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- <https://www.ato.gov.au/Business/Super-for-employers/Work-out-if-you-have-to-pay-super/Super-for-employees-working-overseas---certificate-of-coverage/>
- Last modified: 26 May 2021
- QC 33735

Employers must pay super guarantee (SG) contributions for Australian employees working temporarily overseas. You can apply to us for a certificate of coverage, so you don't have to pay super in the other country as well.

On this page

- [How it works](#)
- [Apply for a certificate of coverage](#)
- [Amend an application](#)
- [Request an extension](#)
- [Cancel certificate or application](#)
- [Help and support](#)

### How it works

Australia has [bilateral social security agreements](#) with some countries, allowing you to apply for a certificate of coverage. With this certificate, you don't have to pay super (or equivalent) in the other country.

#### Australian employers

It exempts Australian employers from their super obligations in the country where their employee is temporarily working. Australian employers must continue to pay SG contributions in Australia.

#### Non-Australian employers

The certificate exempts non-Australian employers from paying super in Australia. We may ask to see a copy of the certificate. Without it, non-Australian employers

must pay super in Australia (unless they meet an exemption).

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Example: Australian employee working in the United States

Simone is an Australian resident working for one year in the United States (US). Under US law, Simone and her Australian employer must pay compulsory social security (covering super) contributions.

Simone's employer must also pay SG contributions for her in Australia.

The bilateral agreement between Australia and the US means that Simone's employer doesn't need to pay US social security contributions.

To receive the US exemption, Simone's employer must request a certificate of coverage from the ATO.

Her employer must continue to pay SG contributions in Australia.

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Example: United States employee working in Australia

Mac is a US resident working temporarily in Australia. A certificate of coverage issued by the US allows his employer to pay contributions solely under the US system.

With the certificate, Mac's employer is exempt from paying super under Australia's SG law.

## Employer responsibilities

By applying for a certificate of coverage for your employee, you're declaring that you will:

- continue to make the required Australian SG contributions on behalf of your employee. These contributions must be made while your employee is working overseas
- keep records of the super paid on behalf of your employee.

We share information about certificates of coverage with authorities in the country your employee is working in.

If you fail to meet the above requirements, we will cancel the certificate and notify the relevant foreign authorities. A cancellation means that you or your employee will not be exempt from the super (or equivalent) obligations in the other country. This

cancellation will apply for the period of the certificate. If you fail to pay super in Australia, you are liable to pay the SG charge to the ATO.

## Self-managed super funds

If you pay SG contributions to your employee's self-managed super fund (SMSF), you should ask your employee to [check their SMSF management arrangements](#) before they leave Australia.

Employees travelling overseas need to check their SMSF maintains its complying Australian super fund status. If the SMSF is no longer a complying fund, you must pay SG contributions for your employee to another fund the employee has nominated as their chosen fund. If the employee has not chosen another fund use your default fund.

## Apply for a certificate of coverage

Before you apply for a certificate of coverage, check the countries Australia has a [bilateral social security agreement](#) with.

Apply for the certificate of coverage before your employee leaves Australia.

We'll generally assess your application within 28 days. If your application is approved, a certificate of coverage will be issued to the nominated postal address within your application.

## Australian business address

For employers:

1. Sign in to [Online services for business](#).
2. Select Lodgments.
3. Select Reports and forms.
4. Select Certificate of coverage request form.

Forms can be saved and resumed within 7 days. After this period, the form will no longer be available.

For tax professionals:

1. Sign in to [Online services for agents](#)<sup>□</sup>.
2. Select Lodgment.
3. Select Client forms.
4. Select Certificate of coverage request form.

Keep a record of this certificate as government authorities in the other country may require a copy. Give the original certificate to your employee to take with them overseas.

## Amend an application

You can lodge an amendment to a submitted application providing it meets the

specific terms of the agreement with the partner country.

For employers:

1. Sign in to the [Online services for business](#).
2. Select Lodgments.
3. Select Reports and forms.
4. Select Certificate of coverage request form.
5. Select History.
6. Select Submitted forms.
7. Select Edit next to the form you want to amend.

For agents:

1. Sign in to [Online services for agents](#)<sup>ca</sup>.
2. Select Lodgments.
3. Select Client forms.
4. Select Certificate of coverage request form.
5. Under History select Edit.

## Request an extension

You can request an extension beyond the maximum period of coverage (see the rules of each [international agreement](#)<sup>ca</sup>).

The maximum extension period is determined on a case-by-case basis. We only grant extensions when there is mutual agreement with the relevant agency in the other country.

To request an extension, you need to:

- Write to us explaining the reasons for the extension. Attach an official signed copy on your company letterhead.
- Attach the written request to the online form under the documentation tab
- Provide supporting documents giving reasons for the extension and include:
  - employee name
  - your previous certificate of coverage reference number
  - extended secondment date (dd/mm/yy).

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A recent transfer of data has increased the number of processed requests under the View previous request tab. We've made every effort to migrate all previous requests. However, this is not possible in all instances.

## Cancel certificate or application

If you've applied for or received a certificate of coverage and the employee is no longer required to travel, you must provide the details of cancellation. You can do this by contacting us:

- Email [superannuationbilateralagreements@ato.gov.au](mailto:superannuationbilateralagreements@ato.gov.au)
- Write to:

Superannuation Bilateral Agreements  
Australian Taxation Office  
GPO Box 9977  
ADELAIDE SA 5001  
AUSTRALIA

## Help and support

- [Troubleshooting](#)
- Email [superannuationbilateralagreements@ato.gov.au](mailto:superannuationbilateralagreements@ato.gov.au)

## Bilateral social security agreements

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- <https://www.ato.gov.au/Business/Super-for-employers/Work-out-if-you-have-to-pay-super/Super-for-employees-working-overseas---certificate-of-coverage/Bilateral-social-security-agreements/>
- Last modified: 26 May 2021
- QC 65742

Bilateral social security agreements are international agreements Australia has entered into with some countries to prevent double payment of super.

On this page

- [Eligibility](#)
- [About the agreements](#)
- [Effect for different types of employees](#)
- [Countries with an agreement](#)

### Eligibility

Employees are only eligible to apply for a certificate of coverage if they accept an Australian employer's offer to work temporarily overseas. The nominated country must have a bilateral social security agreement with Australia.

You are not eligible if:

- you're an employee and you take a new job opportunity overseas
- you're self-employed.

### About the agreements

Bilateral social security agreements deal with the issue of 'double super coverage'.



This occurs when an employer sends an employee to work temporarily overseas and is required to pay super (or equivalent) in both countries.

These agreements allow employers to apply for a [certificate of coverage](#). The certificate exempts the employer from paying super (or equivalent) in the other country.

With a certificate of coverage, the employee is covered by a bilateral social security agreement. The super guarantee (SG) contributions are only required under the law of the country that your employee is most likely to retire in.

For each country there is a specific:

- start date for the bilateral agreement
- maximum period for a certificate of coverage.

These are set out in [Countries with an agreement](#).

Example: sending an Australian employee to work temporarily overseas

Misha's Australian employer sends her to work in Austria for 2 years. While working in Austria, Misha is covered by Australia's super guarantee (SG) legislation and the Austrian laws. Therefore, double super coverage occurs.

Misha's employer can apply for a certificate of coverage. This will exempt Misha and her employer from making super contributions under the Austrian law.

Misha's employer must continue to make SG contributions in Australia.

## Effect for different types of employees

Bilateral agreements only apply to employee SG contributions made on or after the start date of the relevant agreement.

Generally, for:

- self-employed people – are not subject to SG in Australia and there is no double liability for superannuation
- diplomats and consular officials – the agreements apply, however the provisions of the Vienna Conventions on Diplomatic or Consular relations are not affected
- workers on a ship or aircraft in international traffic – the laws of the worker's resident country apply (except Japan)
- government workers – there is no maximum period for a certificate of coverage.

There are exceptions to these rules, which are explained in [Countries with an agreement](#).

## Countries with an agreement

The following countries have a bilateral social security agreement with Australia. These agreements all work in the way explained above. In addition, a few have special rules, which are noted below.

Country	Agreement start date	Maximum period for certificate of coverage
Austria	1 December 2012	5 years
Belgium	1 July 2005	5 years
Chile	1 July 2004	4 years
Croatia (check <a href="#">special rules</a> )	1 July 2004	4 years
Czech Republic	1 July 2011	5 years
Finland	1 July 2009	5 years
Germany (check <a href="#">special rules</a> )	1 October 2008	4 or 5 years
Greece (check <a href="#">special rules</a> )	1 October 2008	4 years
Hungary	1 October 2012	4 years
India	1 January 2016	5 years
Ireland	1 January 2006	4 years
Japan	1 January 2009	5 years
Korea	1 October 2008	5 years
Latvia	1 January 2013	4 years
Netherlands	1 April 2003	5 years
Norway (check <a href="#">special rules</a> )	1 January 2007	3 years
Portugal	1 October 2002	4 years
Republic of Estonia	1 January 2018	4 years

Republic of Poland	1 October 2010	5 years
Slovak Republic	1 January 2012	4 years
Switzerland	1 January 2008	5 years
United States of America	1 October 2002	5 years
Yugoslav Republic of Macedonia	1 April 2011	4 years

For more information on the agreements, visit the [Department of Social Services](#)<sup>EQ</sup>.

## Croatia

If double super coverage occurs for a person working on a ship or aircraft in international traffic, you should apply in writing to us for a certificate of coverage.

Send your written request to:

Superannuation Bilateral Agreements  
 Australian Taxation Office  
 GPO Box 9977  
 ADELAIDE SA 5001  
 AUSTRALIA

## Germany

The German agreement operates differently to most of the agreements Australia has with other countries.

When you apply for a certificate of coverage, you must indicate the relevant article of the agreement that applies to the employment situation.

Article 5 applies where the:

- employee remains employed by the same employer
- period of working in Germany is up to 4 years
- employee is a resident of Australia.

Example: detachment cases (Article 5)

Franz-Peter's Australian employer, XYZ Bank Limited sends him to work in Germany for 2 years.

While in Germany, Franz-Peter remains directly employed by XYZ Bank Limited. Franz-Peter is covered by Australia's SG legislation and the German laws.

As double super coverage occurs, Article 5 of the supplementary agreement will take effect. It will exempt Franz-Peter and his employer from making contributions under the German law.

XYZ Bank Limited will continue to make contributions as required under SG legislation in Australia.

When applying for a certificate of coverage, XYZ Bank Limited must indicate that Article 5 is applicable to Franz-Peter's circumstances.

Article 8 applies where the:

- employee is employed temporarily by an associated employer
- period of secondment is up to 5 years
- application for a certificate of coverage is made within 6 months of starting employment in Germany.

Example: secondment cases (Article 8)

Kristina's Australian employer, JKL Pharmaceuticals Limited sends her to work in Germany for 2 years.

While in Germany, Kristina is employed by JKL Medical Research AG, a subsidiary of JKL Pharmaceuticals Limited. Kristina is covered by Australia's SG legislation and the German laws.

As double super coverage occurs and Kristina is employed by an associated employer, Article 8 of the supplementary agreement will take effect. It exempts Kristina and her employer from making contributions under German law.

JKL Pharmaceuticals Limited will continue to make contributions as required under super guarantee legislation in Australia.

When applying for a certificate of coverage, JKL Pharmaceuticals Limited must indicate that Article 8 of the supplementary agreement is applicable to Kristina's circumstances.

## Greece

The agreement applies to:

- Australian employees – those who are seconded (up to 4 years) by their Australian employer to work in Greece for a related entity
- Greek self-employed – those who are deemed to be self-employed by the Greek authorities but employed in Australia by an Australian employer. They

may be eligible for a certificate of coverage provided their Australian employer continues to pay super contributions for them in Australia.

The employment in Australia can be completely unrelated to a person's 'self-employed' status in Greece.

## Norway

Before your employee starts work in Norway, you must send a copy of the certificate of coverage to:

NAV Control  
Postboks 6600  
Etterstad 0607 Oslo  
Norway

## Super for contractors

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- <https://www.ato.gov.au/Business/Super-for-employers/Work-out-if-you-have-to-pay-super/Super-for-contractors/>
- Last modified: 30 Jun 2021
- QC 33854

If you pay contractors mainly for their labour, they are employees for superannuation guarantee (SG) purposes and you may need to pay super to a fund for them.

It doesn't matter if the contractor has an Australian business number (ABN).

On this page

- [Super contributions for contractors](#)
- [How much super to pay for contractors](#)

## Super contributions for contractors

Make super contributions for contractors if you pay them:

- under a verbal or written contract that is mainly for their labour (more than half the dollar value of the contract is for their labour)
- for their personal labour and skills (payment isn't dependent on achieving a specified result)
- to perform the contract work (work cannot be delegated to someone else).

Example: employee for super guarantee purposes, not contractor

David's Caravan Park has a contract with Amanda, a freelance administrative assistant, to answer phones and do administrative work for 15 hours per week.

The contract specifies that Amanda herself must perform the work. Amanda has an ABN and invoices David's Caravan Park weekly for the hours she works. Amanda is an employee for SG purposes because:

- her contract is wholly for the labour and skills she provides
- she is paid according to the number of hours worked
- she performs the work herself.

Assuming that Amanda is paid at least \$450 per month, David's Caravan Park pays SG contributions for her in addition to her pay.

If you enter into a contract with a company, trust or partnership you do not have to pay super for the person they employ to do the work.

Example: contractor, not employee for super guarantee purposes

Harry's Hobby Shop wants to paint their new shop. They contract Pete's Paints for the job. The entire job is completed by one painter from Pete's Paints.

- The contract is between Harry's Hobby Shop and Pete's Paints.
- Harry's Hobby Shop paid Pete's Paints to achieve a result.
- The painter is not an employee of Harry's Hobby Shop for SG purposes.

Harry's Hobby Shop does not have any SG obligations for the painter or Pete's Paints. This is the case even if Pete is a sole trader and does the work himself, because he was contracted to achieve a result.

Pete's Paints may have SG obligations for the painter.

If you need further help, use the:

- [employee/contractor decision tool](#) to help you work out if a contractor is an employee for super purposes
- [superannuation guarantee eligibility decision tool](#) to work out if they're entitled to super guarantee contributions.

## How much super to pay for contractors

The minimum super you must pay is the super guarantee [percentage](#) of the worker's [ordinary time earnings](#). This is the labour component of the contract. Do not include:

- any contract payments that are for material and equipment
- overtime for which the worker was paid overtime rates
- GST.

If the values of the different parts of the contract aren't detailed in the contract, we'll accept their market values. We'll consider normal industry practices. If you cannot work out the labour part of the contract, you can use a reasonable market value of the labour section.

Paying an additional amount equal to the SG rate to the contractor on top of their usual pay does not count as a super contribution. To avoid the super guarantee charge, you must make the SG contribution to the contractor's super fund each quarter.

## Super for sole traders and partnerships

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- <https://www.ato.gov.au/Business/Super-for-employers/Work-out-if-you-have-to-pay-super/Super-for-sole-traders-and-partnerships/>
- Last modified: 26 May 2021
- QC 33761

If you're self-employed as a sole trader or in a partnership, you don't have to pay super guarantee for yourself.

You can choose to make personal super contributions to save for your retirement.

Make sure your super fund has your tax file number (TFN). If not:

- contributions are taxed an additional 34%
- your fund can't accept personal contributions
- you may miss out on a super co-contribution, if eligible
- it will be harder to keep track of your super.

On this page

- [Personal super contributions](#)
- [Super co-contribution](#)

### Personal super contributions

You can choose to make personal super contributions from your after-tax income. For example, you can contribute directly from your bank account to your super fund.

Most people can [claim a tax deduction for personal super contributions](#) until they turn 75 years old.

Contributions you make may attract extra tax if they exceed the [contribution cap for that year](#).

## Super co-contribution

You may also be eligible for the [super co-contribution](#), which helps eligible low-to-middle income earners save for their retirement.

If you're [eligible and you make personal super contributions](#), the government will match your contribution up to certain limits. You don't have to apply. We will work out your co-contributions when you lodge your tax return.

If you claim a tax deduction for your personal super contribution, it's not eligible for a co-contribution.

## Withholding payer number super obligations

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- <https://www.ato.gov.au/Business/Super-for-employers/Work-out-if-you-have-to-pay-super/Withholding-payer-number-super-obligations/>
- Last modified: 26 May 2021
- QC 59728

We give certain partners in partnerships and non-individual entities a withholding payer number (WPN). This is so you can meet your tax and superannuation obligations.

A WPN is only offered to entities who are not eligible for an ABN, have PAYG withholding obligations and are required to pay super for eligible employees.

WPN holders must make super guarantee (SG) contributions for their eligible employees to avoid the [super guarantee charge \(SGC\)](#).

Non-individual WPN holders include:

- embassies
- international entities
- school canteens
- sporting clubs.

If you are eligible for a WPN but don't have one, you can complete the form on the [Application to register a PAYG withholding account](#) page.



# Setting up super for your business

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- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super-for-your-business/>
- Last modified: 26 May 2021
- QC 33755

As an employer, you need to set up your business to pay super into your eligible employees' chosen super funds. If your employee hasn't made a choice, you can contribute their super to your default super fund.

What you need to do:

1. [Select your default super fund](#).
2. [Offer employees a choice of super fund](#) and keep records that show you've done this.
3. [Provide employees' TFNs to their funds](#).
4. Set up your systems to [pay super contributions](#) electronically to the right fund.

If you pay extra super for an employee:

- under a salary sacrifice agreement, see [How to set up salary sacrifice for super](#)
- you must report the amounts, see [Identify reportable employer super contributions](#).

## Select your default super fund

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- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super-for-your-business/Select-your-default-super-fund/>
- Last modified: 26 May 2021
- QC 33736

As an employer, you must select a default super fund that you will pay your employee's super into if they haven't chosen a fund.

On this page

- [Why you need a default super fund](#)
- [Selecting a fund](#)

### Why you need a default super fund

Most employees can choose a super fund. You pay their super into that fund.

However, if your employee hasn't chosen a fund, or isn't eligible to choose one, you must pay their super into your nominated (default) fund. This is called the 'employer-nominated fund.'

You give your employee the details of this fund in section B of the Standard choice form.

## Selecting a fund

The super fund you nominate must:

- be a complying fund (one that meets specific requirements and obligations under super law)
- be registered by the Australian Prudential Regulation Authority (APRA) and offer a MySuper product (these are cost-effective superannuation products with a basic set of features).

To confirm that a fund meets these requirements, you can:

- contact the fund
- check [Superfund Lookup](#)<sup>☞</sup> (our register of complying super funds).

Ensure you keep records confirming that your nominated fund offers a MySuper product.

## Incentives

It is illegal for a super fund to give benefits to employers as an incentive to use them as their default fund.

Example of incentives include:

- corporate hospitality
- free or discounted holidays
- discounted rates on products or services.

If you think a fund is offering incentives to join, you can [report it to ASIC](#)<sup>☞</sup>.

However, it is not illegal for a super fund to give benefits to your employees as an incentive for them to choose their fund. These could include financial literacy seminars or preferential death benefits.

Next step:

- [Offer your employees a choice of fund](#)

## Offer employees a choice of super fund

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- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super-for-your-business/Offer-employees-a-choice-of-super-fund/>
- Last modified: 11 Aug 2021
- QC 33746

Employers must offer eligible employees a choice of super fund to meet their superannuation obligations. You must identify eligible employees, provide a Standard choice form and act on the employee's choice.

On this page

- [Identify eligible employees](#)
- [Provide a Standard choice form](#)
- [Act on your employee's choice](#)
- [Employee has not provided fund details](#)
- [Help and support](#)

## Identify eligible employees

Your employee is eligible to choose their super fund if they are:

- employed under a federal award
- employed under a notional agreement preserving state award (NAPSA)
- employed under an award or industrial agreement that does not need super contributions
- employed under an enterprise agreement or workplace determination made on or after 1 January 2021
- not employed under any state award or industrial agreement – this includes contractors that are eligible employees for super purposes.

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.

Your employee is not eligible to choose their super fund if:

- their super fund undergoes a merger or acquisition
- they're on a temporary working visa.

However, your employee has the right to ask you for a *Standard choice form*.

If you're not sure what award or industrial agreement covers your employee:

- visit the [Fair Work website](#)<sup>57</sup>
- phone the workplace relations department in your state or territory
- check with your employer association.

## Provide a Standard choice form

You must provide eligible employees a [Superannuation standard choice form](#) within 28 days of their start date.

You must also provide one if:

- your employee asks for one
- you can't contribute to their chosen fund or it's no longer a complying fund
- you change the employer-nominated fund into which you pay the employee's contributions.

You must provide your employee with details of your [nominated default super fund](#). On the Standard choice form, this information goes in section B.

You don't have to use the form, but any alternative document must cover the same information.

Employees can complete pre-filled standard choice forms through [ATO online services](#) linked to [myGov](#).

### Giving your employees information and advice

You can give your employees information about choosing a fund, such as:

- why they need to choose a super fund
- the process of choosing a super fund
- your obligations to pay super guarantee and provide a default fund
- how they nominate their chosen fund.

You cannot provide recommendations or advice about super to your employees, unless you are licensed by the Australian Securities & Investments Commission (ASIC) to provide financial advice. Examples of recommendations or advice include:

- which super fund employees should choose
- their level of super contributions
- consolidating their super.

If your employees are seeking advice about comparing and choosing super funds, tell them to:

- visit the ASIC website [moneysmart.gov.au](#)
- phone ASIC on 1300 300 630.

### Record keeping

You must keep a copy of the completed form or ATO online printed summary for 5 years.

Your records must show:

- how much super guarantee (SG) you paid for each employee and how it was calculated
- that you offered each eligible employee a choice of super fund
- details of employees who are not eligible for choice.

You do not need to send a copy of these records to us or to your employee's chosen super fund.

## Act on your employee's choice

Once an employee tells you their choice of super fund, you have 2 months to start paying contributions into that fund.

You may be penalised if you don't:

- offer your eligible employees a choice of fund
- pay their super to their chosen fund.

### Employee has not provided fund details

Currently, you must pay super to your employer-nominated fund (default fund) by the due date, if your employees have not:

- or cannot choose their own fund
- provided information about their choice of fund by the time their super guarantee contributions are due.

From 1 November 2021, if you have new employees start you may have an extra step to take if they don't choose a super fund. You may now need to request their 'stapled super fund' details from us.

A stapled super fund is an existing super account which is linked, or 'stapled', to an individual employee so that it follows them as they change jobs.

See also:

[Stapled super funds](#)

Next step:

- [Provide employees' TFNs to their funds](#)

## Help and support

- Use our Small business assist [Live Chat](#)<sup>EQ</sup> service
- Ask [ATO Community](#)<sup>EQ</sup> – our online community-driven forum
- [Contact us](#)

## Request stapled super fund details for employees

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- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super-for-your-business/Offer-employees-a-choice-of-super-fund/Request-stapled-super-fund-details-for-employees/>

- Last modified: 03 Sep 2021
- QC 66591

From 1 November 2021, if you have new employees start, you may have an extra step to take to comply with choice of fund rules if they don't choose a super fund. You may now need to request their 'stapled super fund' details from us.

A stapled super fund is an existing super account which is linked, or 'stapled', to an individual employee so that it follows them as they change jobs.

If you don't meet your choice of super fund obligations, [additional penalties](#) may apply.

The change aims to reduce account fees by stopping new super accounts from being opened every time an employee starts a new job.

On this page

- [Get ready](#)
- [What you need to do from 1 November](#)
- [Bulk requests](#)
- [Meeting your obligations](#)

## Get ready

To make sure you're ready to request stapled super fund details, check and update the access levels of your authorised representatives in ATO online services.

If an authorised representative doesn't:

- have full access in ATO online services, they will need to have the 'Employee Commencement Form' permission in order to request a stapled super fund
- need to access this service, you should remove this permission for them to protect your employees' personal information.

See also

- [Using Access Manager – Manage permissions](#)
- [Online services for business](#)

## What you need to do from 1 November 2021

You may need to request stapled super fund details when:

- your new employee starts on or after 1 November 2021
- you need to make super guarantee payments for that employee, and
- your employee is eligible to choose a super fund but doesn't.

You don't need to offer a choice of super fund to some employees, but you may still need to request their stapled super fund details. This includes employees that are either:

- temporary residents

- covered by an enterprise agreement or workplace determination made before 1 January 2021.

## Step 1: Offer your eligible employees a choice of super fund.

You need to [offer your eligible employees a choice of super fund](#) and pay their super into the account they tell you. Most employees are eligible to choose what fund their super goes into. They can choose a super account they already have or choose your default fund.

If you pay [contractors](#) mainly for their labour, they are employees for superannuation guarantee purposes and you may need to pay super to a fund for them. If you need to pay super and they do not make a choice, you will have to request a stapled super fund.

There is no change to this step of your super obligations. If your employee has chosen a super fund, you can pay super contributions to the chosen fund.

You cannot provide recommendations or advice about super to your employees, unless you are licensed by the Australian Securities & Investments Commission (ASIC) to provide financial advice.

See also

- [Offer employees a choice of super fund](#)
- [Giving your employees information and advice](#)

## Step 2: Request stapled super fund details

If your employee doesn't choose a super fund, you may need to log into our online services to request their stapled super fund details. A tax practitioner can also do this for you.

You'll be able to request your employee's stapled super fund after you have submitted a *Tax file number declaration* or Single Touch Payroll pay event linking you to them. There is no limit to the number of requests you can make.

To request a stapled super fund, you, or your authorised representative, need to:

1. log into ATO online services.
2. enter your employee's details, including their:
  - TFN – an exemption code can be entered where an employee cannot provide their TFN, but this could result in processing delays
  - full name – including 'other given name' if known
  - date of birth
  - address (residential or postal), if TFN not given.
3. Our online system will use rules based on the regulations to work out and return a stapled super fund in response to a request.

You will receive the response on-screen. You should be notified of the result of the stapled super fund request within minutes.

We will notify your employee of the stapled super fund request and the fund details we have provided.

If the request was made on your behalf by an authorised representative, we will notify you of the outcome of that request.

We will be monitoring the service to ensure employers are using it appropriately and making genuine requests for stapled super fund details.

### **Stapled super fund won't accept contributions**

If the stapled super fund account provided by us cannot accept contributions for the employee, you should make another request for the employee's stapled super fund via ATO online services.

If the same stapled super fund account is returned, call us on 13 10 20 to obtain an alternative stapled super fund account. If there is no alternative fund, we can advise whether contributions can be made to your default fund or another fund that meets the choice of fund rules.

### **Types of stapled super funds**

Any eligible fund, including a defined benefit fund, can be provided as a stapled super fund. However, some defined benefit accounts may not be able to accept contributions from all employers.

If a stapled super fund request returns a self-managed super fund, you should obtain the electronic services address and bank account details from your employee. If the employee will not supply these details, call us.

### **Step 3: Pay super into the stapled super fund**

If we provide a stapled super fund result for your employee, you must pay your employee's super guarantee contributions to the stapled super fund details we provide you.

You can pay into your default fund, or another fund that meets the choice of fund rules if:

- your employee doesn't choose a super fund, and
- we have advised you that they don't have a stapled super fund.

## **Bulk requests**

A bulk request form will be available if you need to request stapled super fund details for over 100 new employees at once. Bulk requests will have a service standard of up to 5 business days.

The bulk request is a xls or xlsx file that can be downloaded from 1 November 2021. You will need to enter the following details:

- Your details:



- business name
- business Tax file number (TFN) or Australian business number (ABN).
- Employee details:
  - TFN (exemption codes can be used)
  - given name
  - other given name
  - last name
  - date of birth
  - postal or residential address indicator (P or R)
  - address including address line 1, address line 2, suburb/town, state/territory, postcode, country.
- If your authorised representative is lodging on your behalf, they will also need to enter the following details:
  - registered agent number
  - registered agent ABN.

Once the file is completed, you can submit it through the secure mail function within Online services for business or Online services for agents (if lodged by an authorised representative).

Once the file is processed, you will receive a response through the secure mail function within online services. The response message will contain the file submitted to us with the outcomes of the stapled super fund request for each employee.

## Meeting your obligations

We are committed to helping employers and their agents understand and become familiar with the new requirements related to stapled super funds to make this change as easy as possible.

As this change is introduced, we will support employers with help and assistance as a first step to improving compliance, recognising initial non-compliance may be a result of a lack of knowledge or business readiness rather than a non-compliant attitude. Notwithstanding an employer or agent's best efforts, genuine mistakes and misunderstandings will occur.

See also

- [Super guarantee penalties](#)

## Provide employees' TFNs to their super funds

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- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super-for-your-business/Provide-employees--TFNs-to-their-super-funds/>
- Last modified: 26 May 2021
- QC 33742

When an employee gives you their tax file number (TFN), you must give it to their super fund.

- For a new employee, provide their TFN to their super fund more than 14 days before you make their first super contribution.
- For an existing employee, provide their TFN to their super fund within 14 days of receiving it.

Super funds need your employee's TFN so that:

- the super fund can accept personal contributions from the employee
- the employee will not pay extra tax on super
- the employee can find all their super accounts.

If a current employee has not given you a TFN declaration since 1 July 2007, they can complete the [Authority to provide your tax file number to your super fund](#) form.

If you use a third party to manage your payroll or a clearing house to distribute super contributions, ensure your contract allows them to share TFNs with the super funds.

If you, or a third party you use, do not give your employee's TFN to their fund, you will be [penalised](#).

## How to set up salary sacrifice for super

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- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super-for-your-business/How-to-set-up-salary-sacrifice-for-super/>
- Last modified: 26 May 2021
- QC 33744

Employers can set up a salary sacrifice for super arrangement with their employee to get the benefits of a salary sacrifice.

On this page

- [Benefits of a salary sacrifice](#)
- [An effective arrangement](#)
- [A non-effective arrangement](#)
- [Reporting and record keeping](#)
- [Tax deductions and obligations](#)
- [Salary sacrificed contributions](#)

- [Help and support](#)

### Salary sacrificing changes

From 1 January 2020, you are required to pay super guarantee on your employee's ordinary time earnings (OTE) base.

The OTE base includes any amounts that would have been OTE had they not been salary sacrificed. You can't use the reduced salary.

This means salary sacrifice can't be used to reduce OTE and can't be counted as a contribution for super guarantee purposes.

## Benefits of a salary sacrifice

You benefit because the amount sacrificed is:

- not a fringe benefit and not subject to fringe benefits tax
- tax deductible.

Your employee benefits because the salary-sacrificed amount is:

- not declared as assessable income
- not subject to PAYG tax
- taxed in the super fund at the concessional rate of 15%. This is usually less than the PAYG tax rate.

There is no limit to how much super employees can contribute each year. However, if the cap is exceeded, they may need to pay extra tax.

## An effective arrangement

To create an effective salary sacrifice arrangement, you must:

- [set up the arrangement for employees' future earnings](#)
- [document the arrangement](#)
- [use a complying fund](#).

### Set up the arrangement for employees' future earnings

The arrangement must be set up for your employee's future earnings. It can't include previously earned or accrued:

- salary, wages or entitlements
- annual or long service leave.

### Document the arrangement

You and your employee must prepare and sign a document that states the terms of the salary sacrifice arrangement. If you don't have this documentation, it may be

difficult to establish the facts of your arrangement.

Employees can renegotiate the arrangement at any time, within the terms of their employment contract or industrial agreement. If your employee has a renewable contract, you can renegotiate the salary sacrifice amount before the start of each renewal.

### Use a complying fund

The salary sacrifice amount must be contributed to a [complying fund](#) for the period of the arrangement.

Contributions can't be accessed until the employee satisfies a [condition of release](#), such as reaching retirement age.

## A non-effective arrangement

If the arrangement is not effective, super contributions made under the arrangement are:

- considered a payment of salary or wages
- considered a personal contribution, not an employer contribution
- counted towards the employee's non-concessional contributions cap.

This means:

- the contributions are included in your employee's assessable income and subject to PAYG withholding tax
- you are not entitled to a tax deduction for the sacrificed amount
- your employee will be subject to excess non-concessional contributions tax (if they exceed the cap).

## Reporting and record keeping

### Reports you need to submit

When you report online through Single Touch Payroll (STP), the amount will automatically appear on the income statement. You do not need to provide a payment summary.

### Records you need to keep

When you enter into a salary sacrifice arrangement, you need to keep relevant records for 5 years, including:

- copies of the arrangement
- evidence of any expenses.

## Tax deductions and obligations

Contributions to an employee's super fund made under an effective salary sacrifice arrangement are considered deductions.

As an employer, you have obligations under the *Fair Work Act 2009* for deductions made from an employee's wages.

You can only deduct money for a salary sacrifice if:

- you document the arrangement, and the employee agrees in writing to a deduction from their wages
- the deduction
  - is for the employee's benefit
  - complies with the employee's enterprise agreement
  - is allowed by a law, a court order, the [Fair Work Commission](#)<sup>EQ</sup> or an employee's award.

## Claiming deductions

You can claim a [tax deduction for salary sacrifice contributions](#)<sup>EQ</sup> for your employees if you meet all 3 conditions:

1. The contributions are made under an effective salary sacrifice arrangement.
2. The contributions are made to a complying super fund.
3. The employee is under 75 years old. In some situations, you can claim for older employees.

## When to pay contributions to claim a deduction

You can only claim a deduction for a salary sacrifice contribution in the financial year the super fund receives it.

Example: super fund receives payment after financial year

- Sally pays her employee's super contribution to the Small Business Superannuation Clearing House on 30 June 2020.
- The super fund receives the contribution on 3 July 2020.
- Sally can't claim a tax deduction in the 2019–20 financial year. She can claim the deduction for the 2020–21 financial year. This is the year the super fund received the contribution.

## Salary sacrificed contributions

### Salary sacrifice amounts and extra tax

There's no limit to how much employees can salary sacrifice (unless there's a limit in their employment contract or agreement). If their contributions exceed their concessional contributions cap, they will pay more tax.

Your employee needs to consider:

- if the amount salary sacrificed together with the employee's super guarantee contributions will exceed their concessional contributions cap
- how excess contributions will affect their tax.

When setting up salary sacrifice arrangements, you should tell your employee:

- when you will pay contributions
- how they can adjust their contributions to stay under their contribution cap
- to contact their fund to work out their contributions for the financial year.

Your employee can ask you to change the timing of their super contributions but not the employer contributions.

## Contribution cap

Salary sacrificed amounts are paid from pre-tax salary. This means they are part of the employee's [concessional contributions](#) for the financial year.

Contributions above the cap will mean they pay more tax.

Concessional contributions include:

- employer contributions – such as super guarantee payments
- salary sacrificed contributions.

If an employee has more than one super fund, all concessional contributions are combined. They are also counted towards their [contributions cap](#).

## Which year contributions apply to

Super contributions you make for an employee count towards their contribution caps in the financial year the super fund receives them. For example, if you pay June 2019 contributions in July, they will count towards the 2019–20 financial year.

The timing of your contributions can have consequences for your employee's contributions caps and tax. It could also have a consequence for the year you're entitled to a deduction. Ensure you leave enough time for the super fund to process your contributions.

## Help and support

- Use our Small business assist [Live Chat](#)<sup>2</sup> service targeted for small businesses
- Phone the Fair Work Ombudsman on 13 13 94
- Ask [ATO Community](#)<sup>2</sup> – our online community-driven forum
- [Contact us](#)

# Identify reportable employer super

# contributions

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- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super-for-your-business/Identify-reportable-employer-super-contributions/>
- Last modified: 30 Jun 2021
- QC 21716

Employers who make extra super contributions for their employees must report these through Single Touch Payroll (STP) or on the employee's annual payment summary.

On this page

- [Reportable contributions](#)
- [Non-reportable contributions](#)
- [Keeping records](#)
- [Information for your employees](#)

## Reportable contributions

Reportable employer super contributions (RESC) are not included in your employee's assessable income. They do not affect the way you calculate super contributions for your employees.

The following employer super contributions are reportable:

- additional contributions as part of an employee's individual salary package
- additional contributions under a [salary sacrifice arrangement](#)
- pre-tax amounts paid to an employee's super fund at the employee's direction, such as directing an annual bonus into super.

You must report extra contributions if:

- they are in addition to the compulsory contributions you must make under
  - super guarantee
  - a collectively negotiated industrial agreement
  - the rules of a super fund
  - federal, state or territory law
- your employee can influence the rate or amount of super you contribute for them.

The extra contributions are reportable super contributions for employees, unless you show that:

- the extra contributions are made for administrative simplicity
- a documented policy is in place that does not allow an employee to influence the contributions you make on their behalf.

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Example: extra contributions – individual employment contract

Adnan is an employee of Johnson Pty Ltd. While negotiating his individual common law employment contract. Johnson Pty Ltd agrees to pay Adnan super contributions of 12% of his salary.

Johnson Pty Ltd has no policy about the employer contributions it pays for its employees. It allows employees to negotiate any rate of employer contribution they wish over the [super guarantee rate](#) required by law. Adnan and the other employees have contributions made on their behalf at varying rates.

Johnson Pty Ltd must record the extra contributions made for Adnan as reportable employer super contributions. In the 2020-21 financial year, Adnan's ordinary time earnings (OTE) are the same as his salary, so the amount recorded is 2% of Adnan's salary. That is, the amount that is additional to the minimum contributions Johnson Pty Ltd must make under super guarantee law.

#### Summary

- Additional contributions: employee individual salary package.
- Johnson Pty Ltd must record extra contributions.
- Johnson Pty Ltd must make 2% additional contributions.

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#### Example: non-arm's length agreement

Tula is an employee and director of MGK Pty Ltd. Tula's employment conditions are governed by an industrial agreement. The agreement was negotiated between Tula and the other employees of MGK Pty Ltd.

The other employees are Tula's husband and their two adult children. There was no external involvement in the negotiation of the agreement. It was not made at arm's length. The agreement requires MGK Pty Ltd to make super contributions equal to 15% of the employees' salaries to super.

The employer contributions made on behalf of Tula and her fellow employees are required under the terms of an agreement. The agreement was not negotiated at arms' length. Therefore, Tula and the other employees could influence the contributions. For all four employees, MGK Pty Ltd must report the difference between the minimum amount required to meet super guarantee obligations and the amount paid under the industrial agreement.

#### Summary

- Industrial agreement not negotiated at arm's length.
- Employees can influence the super contributions.



- MGK Pty Ltd must report the difference between the minimum amount required to meet SG obligations and the amount paid under the agreement.

Example: employee influence on outcome

Under Jill's industrial agreement, she is required to contribute 5.75% of her OTE to an industry super fund. Jill can make the contribution from either her pre-tax or post-tax income. She decides to make the contribution from her pre-tax income.

While Jill's contribution is in accordance with her industrial agreement, she has the capacity to influence the way that the amount is contributed so that her assessable income is reduced. This amount is a reportable employer super contribution.

## Non-reportable contributions

The following employer super contributions are not reportable:

- super guarantee contributions
- contributions required by collectively negotiated industrial agreements
- [matching contributions](#) under a collective agreement (but matching contributions under an individual agreement are reportable)
- to a [defined benefit fund](#) (exceptions may apply)
- contributions required by super fund rules or a law
- [extra contributions that the employee could not influence](#), such as extra contributions for administrative simplicity or accepted employer policy
- [contributions from the employee's after-tax income](#)

Example: industrial agreement without employee influence

Amanda operates a business employing 20 workers. Under their industrial agreement, Amanda must contribute 13% of her employees' OTE to a super fund, which is more than the amount required under super guarantee law.

Apart from voting on the agreement, Amanda's employees have no influence over the amount of super she contributes. This means that the super contributions Amanda makes for her workers are not reportable employer super contributions.

## Extra contributions without employee influence

You could pay more super than required because of:

- an employer policy or similar arrangements
- administrative or payroll simplicity.

If your employee cannot influence these contributions, they are not reportable. It does not matter if the employee is employed under a collectively negotiated industrial agreement or individual employment contract.

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### Example: extra contributions under employer policy

Clarke Pty Ltd employs different types of workers on individual contracts and collective industrial agreements. Clarke Pty Ltd has always paid employer contributions at a minimum rate of 12% of their employee's salary. This is regardless of the type of agreement. Employees are not able to negotiate an employer contribution rate lower than 12%.

The company policy is long-standing and is documented in Clarke Pty Ltd's record-keeping system. No employee is receiving less than 12% employer contribution support.

The 12% employer super contributions are not reportable because the employees have no influence over the contribution rate.

If employees do have the power to vary their employer contribution rate, the amounts over any compulsory contributions made will be reportable employer super contributions.

### Summary

- Clarke Pty Ltd pays employer super contributions at 12% of employees' salary
- The 12% employer super contributions are not reportable
- In accordance with company policy, employee contributions over the compulsory 12% are reportable

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### Example: extra contributions for administrative simplicity

Vangie employs several full-time and casual employees in her business. Some of her casual employees rarely earn more than \$450 in a calendar month. This means Vangie doesn't have to make super guarantee contributions for them.

Vangie's payroll system automatically calculates super contributions for her employees based on the [current super guarantee percentage](#) of their ordinary time earnings (OTE). This is the case even if they earn less than \$450 in a calendar month. This means that Vangie is making super contributions for some employees even though she isn't required. She does this because it's easier under her payroll system.

Vangie's employees have no choice about how much super she contributes on their behalf, so the contributions are not reportable employer super contributions.

#### Summary

- Vangie employs casual workers who rarely earn more than \$450 a month
- Vangie's payroll system automatically calculates super contributions at the minimum rate of SG required of their OTE
- The contributions are not reportable employer super contributions and employees have no choice on how much super is contributed

## Keeping records

You must keep records to show whether your employee influenced the super contributions you made on their behalf.

This includes records of:

- how you calculated reportable employer super contributions
- how you calculated the employee-influenced portion of the total employer contribution
- how you calculated your employee's salary or ordinary time earnings (OTE)
- relevant salary sacrifice agreements
- relevant industrial agreements.

You must keep your records:

- for 5 years after they are prepared, obtained, or the transactions are completed – whichever occurs last
- in English, or in a form we can access and understand, so that we can work out the tax you're liable to pay.

## Information for your employees

Reportable employer super contributions are not included in your employee's assessable income. However, these contributions are included in the income tests for a range of government benefits and obligations.

### What your employees need to do

Your employees must include the reportable employer super contribution amount on

their income tax returns.

The information will be pre-filled on their income tax return if they complete their return online and you have:

- finalised your data through Single Touch Payroll
- sent us your PAYG payment summary annual report.

If not, your employee will need to copy the amount to their income tax return.

We will calculate their entitlements or obligations by including the reportable employer super contribution in certain income tests.

## Effect on benefits and obligations

Reportable employer super contributions are included in the income tests for:

- some benefits and obligations administered by [Centrelink](#)<sup>EQ</sup> and the [Child Support Agency](#)<sup>EQ</sup>
- the following benefits and obligations that we administer
  - Medicare levy surcharge threshold calculation
  - Medicare levy surcharge (lump sum payment in arrears) tax offset
  - all dependant tax offsets
  - senior Australians tax offset
  - pensioner tax offset
  - mature age worker tax offset
  - spouse super contributions tax offset
  - entrepreneurs' tax offset
  - super co-contributions
  - deduction for personal super contributions
  - low income super contributions
  - Division 293 tax on contributions
  - Higher Education Loan Program and Student Financial Supplement Scheme repayments
  - tax concessions for certain employee share schemes
  - deductions for non-commercial losses.

## Reportable employer super contribution types

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- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super-for-your-business/Identify-reportable-employer-super-contributions/Reportable-employer-super-contribution-types/>
- Last modified: 26 May 2021
- QC 65743

Employers should know the type of super contribution made on behalf of employees to determine if contributions are reportable or non-reportable.

On this page

- [Matched contributions](#)
- [Defined benefit fund contributions](#)
- [After-tax income contributions](#)

## Matched contributions

- are reportable super contributions under individual contracts. This is because the employee directly influenced the terms of the agreement
- are not reportable under collectively negotiated industrial agreements. This is the case, even though it's triggered by an employee choice.

Example: matching contribution triggered by collective agreement

Rodger's employer is required under an industrial agreement to make an additional employer contribution for Rodger's benefit.

The agreement allows Rodger to elect to contribute 0%, 5% or 8% of his salary as a personal after-tax contribution.

His employer is required to contribute 9.5%, 11.5% or 13% respectively, based on Rodger's election under the industrial agreement.

Rodger elects to contribute 8% as a personal after-tax contribution. His employer contributes 13% super as the employer contribution.

None of the amounts the employer contributes are reportable employer super contributions. This is because the additional employer contributions are required under industrial agreement.

Additionally, none of Rodger's personal after-tax super contributions are reportable employer super contributions. This is because they are already included in Rodger's assessable income.

Summary

- Under an industrial agreement, Rodger's employer makes additional employer contributions for Rodger's benefit.
- None of the amounts the employer contributes are reportable employer super contributions.
- None of Roger's personal after-tax super contributions are reportable employer super contributions.

Example: matching contributions triggered by an individual agreement

Charlotte negotiated an individual common law employment contract with her employer.

Under the contract, if she elects to make 5% personal super contributions her employer would match them with a 2% contribution. This is in addition to the amount her employer already contributes for Charlotte to comply with super guarantee obligations.

Charlotte decides to make a 5% after-tax contribution to super. This personal contribution is not a reportable employer super contribution because it's part of Charlotte's assessable income.

However, the additional 2% employer super contribution is reportable. This is because Charlotte had the capacity to influence the terms of the contract requiring her employer to make the additional contribution.

## Defined benefit fund contributions

Employer super contributions to a defined benefit fund for employees with defined benefit interests are not reportable.

This is because the amount you must contribute for defined benefit members is decided by the fund's actuary, not your employee.

Extra contributions are reportable if your employee:

- asks you to make extra contributions to their fund account from their pre-tax income
- has an accumulation account in the defined benefit fund (or any other fund).

Example: contributions to a defined benefit fund

Indira works for a large company and is a member of a defined benefit super fund. The company makes contributions to the fund according to the fund rules. These employer contributions are worked out by the fund's actuary.

Indira has no influence over, or choice about, this amount. Therefore, it is not a reportable employer super contribution.

Indira can choose to contribute up to 5% extra from her pre-tax income and decides to do so. The extra contribution goes into her account within the defined benefit fund. This extra amount is a reportable employer super contribution and must be reported on Indira's payment summary or through STP. If reported through STP, the extra amount is included on the income statement.

## After-tax income contributions

Super contributions made by your employee from their after-tax (net) income are not reportable employer super contributions. These are considered the employee's personal super contributions. This is the case even if you deduct the amounts from your employee's take-home pay and forward the amount to their super fund on their behalf.

Example: contributions from after-tax income

- Jo asks her employer to pay \$50 a fortnight to her super fund from her after-tax pay.
- Although Jo has directly influenced the amount of super paid on her behalf, the additional \$50 is not a reportable employer super contribution because it comes from Jo's after-tax income.
- The \$50 payments are Jo's personal (member) contributions and are part of her assessable income.

## How to report reportable super contributions

- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super-for-your-business/Identify-reportable-employer-super-contributions/How-to-report-reportable-super-contributions/>
- Last modified: 26 May 2021
- QC 65744

Reportable super contributions can be reported to us online through Single Touch Payroll (STP) or through a payment summary annual report.

On this page

- [Single Touch Payroll](#)
- [Payment summaries](#)

### Single Touch Payroll

Reporting online through [Single Touch Payroll](#) (STP) is the way of reporting and finalising extra super contributions for your employees. If you choose not to report these amounts through STP, you must give payment summaries to your employees. You will need to submit a payment summary annual report to the ATO covering

these amounts.

All employers must report salary sacrificed amounts that would have constituted ordinary time earnings (OTE) or salary and wages.

You can work out how to report with the [STP reporting checklist](#).

## Payment summaries

### What to include

When issuing your employees with their [annual payment summaries](#), you must include any reportable employer super contributions. Do this at the label Reportable employer superannuation contributions.

Reportable employer super contributions are reported for the income year related to the contributions. This may be different to the year in which they are received by the super fund.

If you make reportable employer super contributions to an employee, you must provide them with an income statement or payment summary. You must do this even if you have not paid them salary or wages.

### Do not include

Super guarantee amounts or other compulsory contributions on payment summaries.

#### Example: reporting year

Pieter and his employer, ABC Pty Ltd, have an agreement that ABC contributes \$1,200 per month to Pieter's super fund. Of this amount, \$725 is a salary sacrificed amount and \$475 is the compulsory super guarantee payment.

For the 2015–16 income year, ABC makes its employer contributions to Pieter's super fund. This is made on the 28th day after the end of the month in which the sacrificed income was withheld. This means the last payment (for the month of June) is made on 28 July 2016.

Reportable employer super contributions are reported for the year they accrued, not the year they were paid. Therefore, all the 2015–16 contributions are included. This is the case even though the last contribution was actually paid in the 2016–17 financial year.

At the end of the income year, ABC includes \$8,700 on Pieter's payment summary as reportable employer super contributions:

Employer contributions ( $\$1,200 \times 12$ )	\$14,400
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Less Pieter's super guarantee entitlement ( $\$475 \times 12$ )	-\$5,700
Reportable employer super contributions	\$8,700

The super guarantee amount of \$5,700 is not included anywhere on the payment summary.

## Paying super contributions

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- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/>
- Last modified: 26 May 2021
- QC 65745

As an employer, you must pay super contributions for your [eligible employees](#) to a complying fund or retirement savings account to avoid the super guarantee charge.

After setting up super for your employees, you need to know:

- [how much super to pay](#)
- [how to pay super](#)
- [super payment due dates](#).

If you have not paid super guarantee contributions by the due date, find out what you should do about [Missed and late super guarantee payments](#).

## How much super to pay

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- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/How-much-super-to-pay/>
- Last modified: 01 Sep 2021
- QC 33745

The minimum superannuation you must pay for each eligible employee is 10% of their ordinary time earnings (OTE). However, it's scheduled to progressively increase to 12% by 2025.

This is called the super guarantee (SG) and is paid at least quarterly.

If you don't pay the required SG amount by the quarterly due date, you must pay the [super guarantee charge](#).

On this page

- [Work out how much to pay](#)
- [Ordinary time earnings](#)
- [Overtime](#)
- [Maximum super contribution](#)
- [Back pay](#)

## Work out how much to pay

Before you calculate how much super to pay, you should [work out if you have to pay super](#).

To work out how much super to pay, you can use our calculator.

[Super guarantee contributions calculator](#)

The [current super guarantee percentage](#) is the minimum required by law. You may pay super at a higher rate under an award or agreement.

To manually work out how much super to pay for a quarter, multiply your employee's OTE, based on salary and wages paid in the quarter, by the SG rate. If you're paying super at a higher rate, use that rate.

For employees who started during the quarter, work out their super based on any salary and wages paid in the quarter.

Example: working out the minimum super contribution

Jan employs Danni. During the July 2020 –September 2020 quarter of the 2020–21 financial year, Danni's ordinary time earnings are \$15,000.

Jan works out the minimum super contribution for Danni for the quarter:

$$\$15,000 \times 9.5\% = \$1425$$

Jan contributes \$1425 to Danni's super fund by the quarterly due date, which is 28 October 2020. If Jan fails to do this, she may have to pay the super guarantee charge.

Example: working out the correct super contribution rate – fortnightly pay period

Peter employs Sue. For the pay fortnightly pay period ending 27 June 2021, Sue's ordinary time earnings are \$3,000. Peter pays Sue on the 1 July 2021 – the minimum super contribution for Sue for the pay period is:

$$\$3,000 \times 10\% = \$300$$

Peter contributes \$300 for the July – September quarter to Sue's super fund by the quarterly due date, which is 28 October 2021.

Example: working out the correct super contribution rate – fortnightly pay period crossing over financial years

Peter employs Sue. For the fortnightly pay period starting 24 June 2021 and ending 7 July 2021, Sue's ordinary time earnings are \$4,500. Peter pays Sue on 8 July 2021 – the minimum super contribution for Sue for the pay period is:

$$\$4,500 \times 10\% = \$450$$

Peter contributes \$450 for the July – September quarter to Sue's super fund by the quarterly due date, which is 28 October 2021.

Example: working out the correct super contribution rate – monthly pay period

XYZ Pty Ltd employs Neil and pays a monthly salary. For the monthly pay period starting 21 June 2021 and ending 20 July 2021, Neil's ordinary time earnings are \$6,200. XYZ Pty Ltd pays Neil on the 6 July 2021 – the minimum super contribution for Neil for the pay period is:

$$\$6,200 \times 10\% = \$620$$

XYZ Pty Ltd contributes \$620 for the July – September quarter to Neil's super fund by the quarterly due date, which is 28 October 2021.

## Ordinary time earnings

Ordinary time earnings (OTE) is the amount your employees earn for their ordinary hours of work. It includes:

- over-award payments
- commissions
- shift loading
- annual leave loading
- allowances
- bonuses.

Check a specific type of payment with [List of payments that are ordinary time earnings](#).

## Ordinary hours

Your employee's ordinary hours are the normal hours they work, unless their hours are specified in an award or agreement.

If you can't determine the normal hours of work (such as for casual workers), the actual hours the employee works are their ordinary hours of work.

The Fair Work Act's definition of ordinary hours for workers not under an award or agreement caps them at 38 hours. This definition does not override the super laws above.

If you pay a [contractor](#) mainly for their labour, you calculate SG on the labour component of the contract.

## Overtime

Overtime payments are not OTE, provided the employee's ordinary hours of work are clearly identified.

If you can't distinctly identify overtime amounts, all the hours actually worked are included in the employee's ordinary hours of work.

The above rules also apply if the payments are calculated as an annualised or lump sum component of a total salary package. Overtime payments must be clearly identifiable, otherwise all hours worked are OTE.

## Maximum super contribution

You don't have to pay SG for your employee's earnings above a certain limit, called the maximum contribution base.

This [base amount](#) is indexed annually and is usually available before the start of the financial year.

It does not apply to other mandated contributions, such as contributions you pay under an award.

Example: maximum contribution base for SG

Rory is the Marketing Manager of ABC Pty Ltd.

During the July–September quarter of the 2020–21 financial year, Rory's OTE is \$60,000.

The quarterly maximum contribution base for 2020–21 is \$57,090.

ABC Pty Ltd uses the maximum contribution base to work out the SG contribution for Rory for the quarter:

$$\$57,090 \times 9.5\% = \$5423.55$$

Rory's OTE above \$57,090 is ignored.

## Back pay

You must pay super on back pay of amounts that are OTE, even if the employee no longer works for you.

If you don't, you'll be liable for the super guarantee charge.

Example: back pay for an employee that has finished employment

On 30 June 2021, Sue finished her employment with company ZYX. In September 2021, ZYX realised it had been underpaying its employees. The company needed to give Sue back pay of an extra 2% for the period from 1 January 2021 to 30 June 2021.

ZYX must pay an SG contribution for the back pay by the quarterly due date of 28 October 2021 – that is, 28 days after the quarter in which Sue was actually paid.

Between 1 January to 30 June 2021, Sue's OTE is \$60,000. ZYX works out the total back pay amount for this period:

$$\$60,000 \times 2\% = 1,200$$

The company calculates Sue's SG contribution at 10% of her back pay. This is because the salary and wages back payment was made after 1 July 2021, when the rate increased from 9.5% to 10%.

SG contributions must be paid on the back pay for the quarter that corresponds to the date of payment – in this case, the September 2021 quarter. The payment would usually be made to the fund the company paid Sue's last super contribution into.

ZYX pays Sue on the 6 September 2021. The additional super contribution for Sue for the period is:

$$\$1,200 \times 10\% = \$120$$

If the company doesn't pay the minimum super on time to a complying fund or retirement savings account, they will have to pay the superannuation guarantee charge to us.

# List of payments that are ordinary time earnings

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- <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/>
- Last modified: 26 May 2021
- QC 33860

This page shows which payments to employees are counted as ordinary time earnings (OTE), and which are counted as salary and wages for super guarantee purposes.

As an employer, you use:

- OTE to work out the minimum super guarantee contribution for your employees. OTE is the amount you pay employees for their ordinary hours of work, including things like commissions and shift loadings.
- salary and wages to work out the super guarantee charge. You only need to do this if you missed paying the minimum super guarantee contribution by the due date. Salary and wages are similar to OTE but also includes any overtime payments.

On this page

- [Overtime](#)
- [Casual work, piece work and commissions](#)
- [Allowances](#)
- [Expenses](#)
- [Bonuses](#)
- [Leave](#)
- [Termination payments](#)
- [Examples](#)

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Overtime

Payment	Salary or wages	OTE
Overtime hours over and above the ordinary hours stated in an award or agreement (see <a href="#">example</a> )	Yes	No
Overtime where the ordinary hours of work are not stated in an award or agreement, or not separated from other hours (see <a href="#">example</a> )	Yes – all hours worked	Yes – all hours worked

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### Casual work, piece work and commissions

Payment	Salary or wages	OTE
Casual employee shift loadings	Yes	Yes
Casual employee overtime payments	Yes	No
Piece-rates – no ordinary hours of work stated (see <a href="#">example</a> )	Yes	Yes
Commission	Yes	Yes

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### Allowances

Payment	Salary or wages	OTE
Allowance by way of unconditional extra payment (for example, the employee has complete discretion on whether to spend the allowance)	Yes	Yes
Expense allowance expected to be used in full (see <a href="#">example</a> )	No	No
Danger or site allowance (these are OTE unless they are intended to offset particular expenses)	Yes	Yes
Retention allowance	Yes	Yes
On-call allowance outside ordinary hours of work	No	No
Hourly on-call allowance for ordinary hours of work for doctors	Yes	Yes

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### Expenses

Payment	Salary or wages	OTE
Reimbursement of expenses, including travel costs (see <a href="#">example</a> )	No	No
Payment for unfair dismissal	No	No

Workers' compensation – returned to work	Yes	Yes
Workers' compensation – not working	No	No

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#### Bonuses

Payment	Salary or wages	OTE
Performance bonus	Yes	Yes
Christmas bonus	Yes	Yes
Bonus in respect of overtime only	Yes	No

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#### Leave

Payment	Salary and wages	OTE
Annual leave	Yes	Yes
<a href="#">Annual leave loading</a> – clearly linked to lost opportunity to work overtime	Yes	No
Annual leave loading – all other	Yes	Yes
Sick leave	Yes	Yes
Parental leave – eg maternity leave, paternity leave, adoption leave	No	No
Ancillary leave – eg jury duty, defence reserve service	No	No
Long service leave	Yes	Yes

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#### Termination payments

Payment	Salary and wages	OTE
Termination payments – in lieu of notice	Yes	Yes
Termination payments – unused annual leave, long service leave or sick leave	Yes	No



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## Examples

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Example: overtime identified in award or agreement

Ennio is employed under a collective agreement that incorporates terms from an award. If there's inconsistency between the agreement and the award, the agreement prevails.

Under the award, the ordinary hours of work are 38 hours per week and the employer can require an employee to work reasonable overtime. However, the agreement provides for a shift roster in which employees work an average of 44 hours per week. The shift roster identifies the ordinary hours of work as 40 hours, with the additional four hours paid at a penalty rate.

The payment to Ennio for his 40 ordinary hours of work is OTE. The 4 hours of overtime payments are not OTE.

The payment for all 44 hours is salary or wages because it is a reward for his services.

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Example: ordinary hours of work not stated

Kim works in a call centre. Under her contract she works a minimum number of hours per week. She also works extra shifts when needed, though there is no clear pattern to this.

There is no award or agreement that specifies Kim's ordinary hours of work, and she is not paid overtime rates for her extra shifts.

All of Kim's wages are OTE. As there are no stipulated ordinary hours of work, and no pattern of regular or usual hours, Kim's ordinary hours of work are all the hours she actually works.

All the payments to Kim are also salary or wages.

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Example: piece-rates where no ordinary hours stated

Evan works as a fruit picker for Green Apples Ltd. He is paid 15 cents for

every kilogram of apples he picks. There are no ordinary hours specified in any award or agreement.

Evan picks 5,000 kilograms of apples in his working hours in the week and is paid \$750 by Green Apples Ltd.

The \$750 paid to Evan is OTE. As his ordinary hours of work are not specified in any award or agreement, his ordinary hours of work are the hours that he actually works.

The \$750 paid to Evan is also salary or wages.

Example: expense allowance expected to be used in full

Matteo is a salesman. In addition to his usual salary, he is paid \$300 per month to cover expenses he is expected to incur while visiting clients, such as travel and mobile phone expenses. It is expected that Matteo will use the whole allowance in the course of visiting clients.

The \$300 allowance is not OTE or salary or wages because it is not a reward for Matteo's services.

Example: reimbursement

Fernando travels by train on behalf of his employer and pays for the train ticket himself. He provides a receipt to his employer for the \$14.50 cost of the train ticket, and the employer reimburses him \$14.50.

The payment is not OTE or salary and wages, because it is not a reward for Fernando's services.

## Superannuation on annual leave loading

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- <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/Superannuation-on-annual-leave-loading/>
- Last modified: 26 May 2021
- QC 58207

Annual leave loading is included in ordinary time earnings (OTE) unless it is clearly linked to lost overtime.

On this page

- [How it works](#)
- [Evidence you will need](#)
- [Annual leave loading for previous quarters](#)

## How it works

Annual leave loading is an extra payment that may be paid to an employee on top of their base rate during periods of annual leave.

As an employer, you work out super guarantee payments for your employees based on their OTE. OTE includes annual leave pay but not overtime.

Generally, you include annual leave loading in OTE because it's related to annual leave. However, you don't include annual leave loading in OTE if you can show that it's paid to compensate employees for being unable to work overtime while on leave.

If this is your situation, this page explains the evidence you will need.

## Evidence you will need

To omit annual leave loading from your employees' OTE, you need written evidence showing that the leave loading is linked to a lost opportunity to work overtime.

This evidence can be either:

- the relevant award or agreement
- a documented policy, understood by you and your employees, that states the reason for the leave loading entitlement.

If you don't have written evidence, you need to either:

- obtain it as soon as possible
- start including annual leave loading in your employees' OTE when working out their super guarantee payments.

If you obtain written evidence as soon as possible, we won't review how you treated annual leave loading in previous quarters.

Example: documenting the reason for annual leave loading

QWERTY Co has a mix of day workers and shift workers, who are all covered by a modern award.

For day workers, the award includes an entitlement to annual leave loading and paid overtime. However, the award does not clearly link overtime and annual leave loading.

For shift workers, the award has a different annual leave loading entitlement and no paid overtime. The award indicates that this annual leave loading compensates shift workers for the lost opportunity to earn shift allowances while on leave.

QWERTY Co believes the day workers are paid annual leave loading to compensate for the lost opportunity to work overtime while on leave. This is based on advice the company has received about the historical reasons for the annual leave loading.

QWERTY Co prepares a policy document that clarifies the reason for annual leave loading. It includes the following paragraph:

The entitlement to annual leave loading under clause [X] is compensating for the lost opportunity for overtime, except where [the award] indicates otherwise.

QWERTY Co regularly deals with a union representing its workers. The company provides a copy of the policy document to the union to ensure it reflects their understanding of the reason for annual leave loading.

When working out super guarantee for its workers, QWERTY Co self-assesses the annual leave loading as:

- excluded from OTE for day workers
- included in OTE for shift workers.

## Annual leave loading for previous quarters

We understand that some employers have been unsure how to correctly treat annual leave loading. Also, you may not have evidence that identifies the purpose of annual leave loading paid in previous quarters.

We won't review how you've treated annual leave loading in previous quarters if both of the following apply:

- you self-assessed that annual leave loading was not OTE because it was for a loss of opportunity to work overtime
- there is no evidence that the annual leave loading was for something other than overtime.

However, if there is evidence that the annual leave loading was for something other

than overtime, then the loading should have been included in OTE. In this case you have a super guarantee shortfall. You will need to lodge a super guarantee charge (SGC) statement with us and pay the shortfall.

We cannot waive any of the components of the SGC, including interest and administration fees. However, we can reduce the additional penalties, considering:

- the uncertainty and practical difficulties employers have faced in this area
- the fact that you voluntarily lodged an SGC statement.

## Super for long-distance drivers

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- <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/Super-for-long-distance-drivers/>
- Last modified: 30 Jun 2021
- QC 44710

The definition of ordinary time earnings (OTE) for long-distance drivers is the same as for other employees.

For drivers covered by the Road Transport (Long Distance Operations) Award 2020, ordinary hours of work are 38 hours per week. This may be determined as an average of up to 28 consecutive days.

You can calculate SG for long-distance drivers using one of three methods:

- [minimum-guaranteed-wage method](#) – you can't use this method if the driver's wages are more than the minimum under one of the other 2 methods
- [hourly-driving-rate method](#)
- [cents-per-kilometre method](#)

The examples below are based on the award. Employers should seek advice if the terms of their enterprise agreement vary from that of the award.

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### Example 1: minimum-guaranteed-wage method

Mary is a long-distance driver, Grade 6, working under the Road Transport (Long Distance Operations) Award 2020. The award stipulates a minimum guaranteed wage payment of \$864.10 per week, regardless of how little Mary actually drives.

As Mary receives only this minimum payment under the award, during the July–September quarter of the 2021–22 financial year, her employer calculates her OTE using that amount:

Super guarantee:

= OTE × SG rate

= \$864.10 × 10%

= \$86.41 per week

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#### Example 2: hourly-driving-rate method

Sean is a long-distance driver, Grade 6, working under the Road Transport (Long Distance Operations) Award 2021. He is paid under the hourly-driving-rate method.

The hourly driving rate of \$33.70 for full-time employees includes two components:

- an industry disability allowance of 1.3 times a base rate
- an overtime allowance of 1.2 times a base rate.

Although the hourly rate includes a component referred to as an overtime allowance, the allowance is not deducted from the total when calculating OTE because the whole hourly driving rate is paid for what are defined to be ordinary hours of work (except where the hours worked exceed 38 hours).

Sean has worked his ordinary hours of 38 hours in each of the last three weeks of August 2021. and. Sean works 50 hours in the first week of September 2021.

Super guarantee for each of the weeks:

= OTE × SG rate

= ordinary hours × hourly rate × SG rate

= 38 hours (as defined in the award) × \$33.70 × 10%

= \$128.06

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#### Example 3: casual employee using hourly-driving-rate method

Rosie is a long-distance driver, Grade 6, working under the Road Transport (Long Distance Operations) Award 2020. She is a casual employee and paid under the hourly-driving-rate method.

The hourly driving rate for full-time employees is \$33.70. Casual employees are paid an additional 15%. The rate includes two components:

- an industry disability allowance of 1.3 times a base rate
- an overtime allowance of 1.2 times a base rate.

Although the hourly rate includes a component referred to as an overtime allowance, the allowance is not deducted from the total when calculating OTE because the whole hourly driving rate is paid for what are defined to be ordinary hours of work (except where the hours worked exceed 38 hours).

Rosie has worked her ordinary hours of 38 hours in the first three weeks of July 2021 and 45 hours in the last week of July.

Super guarantee for each of the 4 weeks:

= OTE × SG rate

= ordinary hours × hourly rate × SG rate

= 38 hours (as defined in the award) × \$38.75 (\$33.70 + 15%) × 10%

= \$147.25

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#### Example 4: cents-per-kilometre method

Jack, a Grade 6 long distance driver, travelled from Melbourne to Darwin during August 2021 via the Stuart/Western Highway (3,749 km) and was paid using the cents-per-kilometre method under the Road Transport (Long Distance Operations) Award 2020. The minimum cents per kilometre rate for a full-time employee is 44.93c/km.

Jack received  $44.93\text{c/km} \times 3,749\text{km} = \$1,684.42$ .

As this amount exceeds the minimum guaranteed payment stipulated in the award, Jack's employer uses his ordinary hours to work out his OTE.

For the purposes of simplicity, the ATO allows for the cents-per-kilometre rate to be applied to the kilometres driven during 'ordinary hours of work' based on an average driving speed of 75 kilometres per hour.

Therefore, a reasonable method of calculating the distance travelled during ordinary hours of work would be:

$$38 \text{ hours} \times 75 \text{ km} = 2,850 \text{ km}$$

The calculation to determine the minimum amount of SG required is therefore:

Super guarantee:

$$= \text{OTE} \times \text{SG rate}$$

$$= c/\text{km} \times 2,850 \text{ km} \times \text{SG rate}$$

$$= 44.93c/\text{km} \times 2,850 \text{ km} \times 10\%$$

$$= \$128.05$$

## How to pay super

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- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/How-to-pay-super/>
- Last modified: 26 May 2021
- QC 44703

Super guarantee (SG) contributions are payments employers must make to their employees' complying funds or retirement savings accounts to avoid the SG charge.

On this page

- [How to pay](#)
- [Check for complying super funds](#)
- [Claim a tax deduction](#)

### How to pay

Pay employee SG contributions electronically to either a:

- complying super fund: a fund that meets specific requirements and obligations under super law
- retirement savings account (RSA): an account that provides a low cost and low risk savings strategy for retirement.

Report payments electronically through:

- [SuperStream](#)
- [Single Touch Payroll](#).



You must ensure the fund or RSA meets rules on:

- [MySuper products](#)<sup>EQ</sup>
- [choice of super fund](#).

You must pay SG contributions by the [quarterly due dates](#) – 28 days after the end of each quarter to avoid the SG charge.

Eligible small businesses can pay super for their employees through the [Small Business Superannuation Clearing House](#).

Some super funds require employers to contribute monthly. By registering with these funds, you agree to make monthly contributions to that fund.

### Award obligations

Some industrial awards require employers to pay super contributions to a specific super fund. Make sure you check if this affects your employees.

### Personal super contributions

You can arrange to make post-tax super payments on behalf of your employees. These payments are personal super contributions.

You must make these contributions according to:

- the employee's terms of employment
- legal requirements
- industrial award conditions.

Your employee's personal super contributions don't count towards your SG obligations.

## Check for complying super funds

You can use [Super Fund Lookup](#)<sup>EQ</sup> to check if a fund is compliant.

If they are not listed, you can get written confirmation from the fund's trustee.

Written confirmation must state that the fund:

- is a complying super fund
- intends to accept your super contributions
- will continue to meet the relevant legal requirements.

If the fund fails to comply, written confirmation will protect you from penalties.

If you pay contributions to a non-complying super fund, the contributions:

- won't count towards meeting your SG obligations
- won't be tax-deductible
- may incur a fringe benefits tax (FBT) liability.

## Claim a tax deduction

SG contributions you make for your employees are tax deductible. You can only claim the deduction in the financial year payments are made.

To claim a deduction, a contribution must be made:

- in accordance with an industrial award or agreement
- to reduce the liability of the SG charge
- 28 days after a person turns 75.

[Missed or late super payments](#) may incur the SG charge. The SG charge is not tax deductible.

You can make a late payment:

- to reduce the super guarantee charge
- as pre-payment of a future super contribution (for the same employee).

Example: timing of super payments affects tax deduction claim year

Malia has 5 employees. In 2019, she wanted to claim a tax deduction for SG contributions made in 2017–18.

To do this, Malia needed to pay SG contributions to her employee's complying funds or RSAs by 30 June 2018 (end of the financial year).

However, Malia did not pay the SG contributions for the fourth quarter of 2017–18 until 5 July 2018.

Therefore, Malia could not claim these fourth quarter contributions as tax deductions until the next financial year (2018–19).

## SuperStream for employers

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- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/How-to-pay-super/SuperStream-for-employers/>
- Last modified: 26 May 2021
- QC 44706

SuperStream is the way all employers must pay employee superannuation guarantee contributions to super funds. With SuperStream, money and data are sent electronically in a standard format.

On this page

- [How it works](#)
- [How to meet SuperStream requirements](#)

## How it works

Your employee super information is linked to your super contributions by a unique payment reference number (PRN).

This means you can make all your super contributions in a single transaction, even if the payments are going to multiple super funds.

If the only contributions you make are personal contributions for yourself or contributions to a related self-managed super fund (SMSF), you don't need to use SuperStream because these are excepted contributions.

### Keeping your employee information safe

All SuperStream communications:

- are encrypted
- use sending and receiving protocols that all parties must follow.

Employee information security is important and starts with you, and all your dealings in the super system. This means you should:

- apply security best practices when personal information is stored in payroll solutions or sent over the internet
- make sure any service providers you use have strong information security policies, and terms and conditions.

## How to meet SuperStream requirements

In just 3 simple steps, you can meet SuperStream requirements.

### Step 1: Choose an option

To meet SuperStream requirements, you can use the following electronic options:

- [Payroll system](#)
- [Super fund online system](#)
- [Super clearing house](#)
- [Small Business Superannuation Clearing House](#)
- [EFT or BPAY direct to the fund](#)
- [Messaging portal](#)

You can also ask your accountant or bookkeeper to help you with one of these options.

### Payroll system

Check with your software provider to ensure your payroll system is SuperStream-

compliant. You may need to update your software.

You can also use the [SuperStream Certified Product Register<sup>E2</sup>](#) to check if your software is compliant.

Some payroll systems cover data and payments, and some are data only. This means you may need to make payments to each fund separately. The payment must be electronic (electronic funds transfer or BPAY®).

### Super fund online system

Large super funds have online payment services you can use. Check with your super fund to ensure it is SuperStream compliant.

### Super clearing house

A clearing house pays super to your employees' super funds for you. You send a single electronic payment to the clearing house with all your employees' super contribution data, and the clearing house does the rest.

You can use the free [Small Business Superannuation Clearing House](#) if you have either:

- 19 or fewer employees
- a turnover of less than \$10 million a year.

You can also choose to use:

- other commercial clearing house options
- your super fund's clearing house.

Talk to your super fund to see what they offer.

### Small Business Superannuation Clearing House

The [Small Business Superannuation Clearing House](#) (the clearing house) is a free service you can use if you are a business with either:

- 19 or fewer employees
- an annual aggregated turnover of less than \$10 million.

You make your super guarantee contributions for all employees as a single electronic payment to the clearing house. The clearing house will then distribute the payments to each employee's super fund.

Even if you outsource some parts of making super contributions, you're still responsible for ensuring your employees' super contributions are paid correctly.

The clearing house is accessed via the ATO's Online services for business, Online services for agents or ATO online services in myGov.

### EFT or BPAY direct to the fund

If you pay directly to a super fund with EFT (direct credit or direct debit) or BPAY, you must also send the employees information electronically (not by email).

Direct contributions can only continue with special agreement from each of your super funds.

Contact your fund to see if direct contributions can continue or if any changes are required.

If you can continue paying direct to the fund, you can also use a messaging portal for the electronic information requirements. A messaging portal will generate reference numbers to use in your online banking.

### Messaging portal

A messaging portal can convert contribution data for your employees to a SuperStream compliant format and send it to the relevant funds for you.

You still need to make one electronic payment.

Talk to your messaging portal provider and financial institution about your options.

### Step 2: Collect employee information

Collect the following information from your employees:

- your employee's tax file number (TFN)
- the Australian business number (ABN) of your employee's super fund
- the unique superannuation identifier (USI) of your employee's super fund. You can look these up through:
  - [Super Fund Lookup](#) – USI and product names
  - [SuperStream – Fund USI and SPIN lookup table](#)

You can also use the online service, EmployerTICK, to validate employee details. For more information on the service, see the [EmployerTICK user guide](#).

### Employees with SMSFs

If your employees have an SMSF, you'll need the following information:

- your employee's TFN
- the ABN of your employee's SMSF
- the bank account details of your employee's SMSF
- the electronic service address of your employee's SMSF.

If your employee wants you to contribute to their SMSF, provide them with a standard choice form and ask them to return it to you within 28 days. If you don't receive the information you may make the contributions to your default fund.

If you're paying your own super contributions to your own SMSF, you don't need this information for these contributions.

### Step 3: Paying with SuperStream

You must send the payment and data on the same day. This lets the super fund match your payment and information and allocate the contribution to the fund member's account.

If you use a commercial clearing house, the employee's super contribution is counted as being paid on the date the super fund receives it, not the date the clearing house receives it from you. Check with your clearing house to make sure you allow enough time for your payments to be processed before the quarterly due dates.

If you use our Small Business Superannuation Clearing House, your super obligations are met on the date the clearing house accepts the payment (so long as the super fund doesn't reject the payment). This is because the clearing house is an approved clearing house under government regulations.

### If you don't have an ABN

If you're not eligible for an ABN, you can use your withholding payer number (WPN) to use SuperStream.

Your WPN is found on your pay as you go (PAYG) withholding registration advice or your activity statement.

A WPN is shorter than an ABN so, depending on your SuperStream solution, you may need to:

- enter your 8 or 9-digit WPN into the WPN field without any leading zeros, if you are registering for the [Small Business Superannuation Clearing House](#)
- add leading zeros when providing your WPN, if you are paying contributions directly to super funds.

## Small Business Superannuation Clearing House

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- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/How-to-pay-super/Small-Business-Superannuation-Clearing-House/>
- Last modified: 19 Aug 2021
- QC 44705

Eligible employers can pay super for their employees through the Small Business Superannuation Clearing House ('the clearing house').

On this page

- [Eligibility](#)

- [About the clearing house](#)
- [Accessing the clearing house](#)
- [Using the clearing house for the first time](#)
- [Making payments](#)
- [Help and support](#)

## Eligibility

You're eligible to use the clearing house service if your business has either:

- 19 or fewer employees
- [annual aggregated turnover](#) of less than \$10 million.

You must meet one of these eligibility criteria each time you use the clearing house. If you stop being eligible – for example, because you hire more than 19 employees – you will need to make [other arrangements](#) to pay employee super.

Watch the video for more details about the clearing house:

Media: Small Business Superannuation Clearing House  
<https://tv.ato.gov.au/ato-tv/media?v=bd1bdiubk8ig7h> (Duration: 1:44)

## About the clearing house

The clearing house is a free online service provided by the Australian Government through the Australian Taxation Office.

You can use the clearing house to pay super for all your employees through a single payment. The clearing house will then distribute the money to each employee's super fund according to your instructions.

With the clearing house, you can:

- nominate a regular amount for each employee or change the amount when you make a payment
- meet your super guarantee (SG) obligations when your payment and instructions are accepted by the clearing house by following the [clearing house terms and conditions](#)
- pay online to meet [SuperStream](#) requirements
- see records of your past super contributions.

## Accessing the clearing house

### If you have an ABN

You can access the clearing house through Online services for business:

- select Employees
- select Small Business Super Clearing House.

Log in to Online services for business

If you need to authorise someone else (such as a staff member) to use the clearing house on behalf of your business, you can authorise them in [Relationship Authorisation Manager \(RAM\)](#)<sup>†</sup> and customise their permissions in [Access Manager](#).

Accessing Online services for business

To access Online services for business, you will need to sign in using myGovID.

If you're new to online services, you will first have to set up your myGovID, then link it to your business in Relationship Authorisation Manager (RAM). For more information, see [Accessing online services with myGovID and RAM](#).

If you don't have an ABN

Individual employers

If you're an individual employer with a withholding payer number (WPN), you can access the clearing house using your myGov account linked to ATO online services.


Individuals with a WPN include people who employ domestic staff.

Sign in to myGov

Non-individual employers

Non-individuals with a WPN include school canteens, sporting clubs and embassies.

If you represent a non-individual with a WPN, you can:

- register for the clearing house by calling 1300 660 048
- complete the [SBSCH – Employee list spreadsheet \(XLSX, 56KB\)](#) 
- email the spreadsheet to [SBSCHenquiries@ato.gov.au](mailto:SBSCHenquiries@ato.gov.au) – include the words 'WPN HOLDER' in the email subject line.

Using the clearing house for the first time

You must register the first time you use the clearing house. To do this, you'll need to provide information about:

- your business and employees



- your [employees' choice of fund](#)
- your [default fund](#) – this is where payments will go if the employee doesn't choose a fund
- anyone authorised to use the clearing house on your behalf, such as a bookkeeper.

Print the [clearing house privacy statement](#) and give this to your employees.

## Making payments

Due date and scheduled maintenance

The next quarterly due date for super guarantee payments is:

- 28 October 2021

To allow for normal processing times and system maintenance, submit your payments and instructions in the clearing house by:

- 5.30pm on 22 October 2021

Due to planned system maintenance, the clearing house will be unavailable from:

- 11.30pm 23 October to 7.00am 24 October 2021

1. Work out how much super you need to pay for all your employees.
2. Access the clearing house through Online services for business or ATO online services.
3. Enter instructions about how to distribute payment to each employee's super fund, noting the payment reference number (PRN).
4. Make a single electronic payment to the clearing house for all your employees including the PRN.
5. The clearing house distributes the payment to each employee's super fund according to your instructions.

Note: Payments may take up to seven business days to be transferred through the ATO and super fund before they reach the employee's super fund account.

### Payment errors

If your employee's details are incorrect, their super fund may:

- reject the payment
- send the payment back to us.

If the payment is sent back to us, we'll contact you to update the information within seven business days.

We will resend the payment to the fund if you correct the information. If you don't

update the information, the payment will be sent back to you.

If your employee's details change after you submit a payment instruction, but before it's processed, you'll need to:

- update the employee's details
- delete the payment instruction
- lodge a new payment instruction.

## Help and support

- [Clearing house troubleshooting](#)
- [Terms and conditions](#)
- Small business assist [Live Chat](#)<sup>□</sup> – speak with a member from our team
- [ATO Community](#)<sup>□</sup> – ask our community-driven forum
- Phone 1300 660 048

## Clearing house troubleshooting

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- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/How-to-pay-super/Small-business-superannuation-clearing-house/Clearing-house-troubleshooting/>
- Last modified: 26 May 2021
- QC 54813

Find out how to resolve problems you may have when using the Small Business Superannuation Clearing House (the clearing house).

On this page

- ['Time out' errors when trying to submit a payment instruction](#)
- [AUSkey login option not appearing for the Business Portal](#)
- [Unable to lodge a payment instruction](#)
- [Error when trying to update your details or register with the clearing house](#)
- [You are a tax agent or BAS agent and can't see the STP reporting menu in Online services for agents](#)
- [Message 'Invalid reference number' appears when making a payment by BPAY](#)
- [Small business cannot see link to clearing house in Online services for business](#)
- [Tax agent, BAS agent or payroll provider cannot see link to clearing house in Online services for agents](#)
- [Unable to see any employees in the clearing house](#)
- [Message 'Enter a Fund Name to continue' appears when entering an employee's super fund name](#)
- [Message 'Enter an account name' appears when entering bank details for](#)

[returned payments](#)

- [Message 'The fund ABN is invalid, enter a different ABN' appears](#)
- [Message 'Enter a valid email address' appears when updating your employer details](#)
- [You can access the clearing house but you cannot submit](#)

## 'Time out' errors when trying to submit a payment instruction

### Possible cause

This issue is caused by an invalid unique superannuation identifier (USI) or ABN in an employee's super fund details.

### Resolution

If the system is timing out when trying to submit a payment instruction, check your employee's super fund details are correct. You will need to cancel the instruction, update the super fund details and create a new payment instruction.

## AUSkey login option not appearing for the Business Portal

### Possible cause

AUSkey was retired on 27 March 2020.

### Resolution

You'll need to use [myGovID and Relationship Authorisation Manager](#) (RAM) to access Online services for business.

## Unable to lodge a payment instruction

### Possible cause

There may have been a change in ownership of a superannuation product that one of your employees has chosen.

Your employee will have this information.

### Resolution

When a super fund changes an ABN or unique superannuation identifier (USI) you need to:

- update the employee's details with the new ABN and USI
- delete any payment instruction created before updating the employee's details
- create a new payment instruction
- submit the payment instruction.

## Error when trying to update your details or register with the

## clearing house

### Possible cause

You have only entered a mobile number in the mobile phone field.

### Resolution

You will need to enter a work number. If a work number is not available, you will need to enter your mobile number into the work hours phone number field in this format:

- Area code: 04
- Phone: XXXXXXXXX

## You are a tax agent or BAS agent and can't see the STP reporting menu in Online services for agents

### Possible cause

Client is not 'in focus'.

### Resolution

Select the client record to bring the client 'in focus'. You may need to set permissions in Access Manager for the standard users in your practice. STP reporting will then display under the Business menu.

## Message 'Invalid reference number' appears when making a payment by BPAY

### Possible cause

This may be a result of having 2 zeros at the start of the PRN.

### Resolution

Remove the 2 zeros from the start of the PRN when making the payment.

## Small business cannot see link to clearing house in Online services for business

### Possible cause

The link to the clearing house doesn't display in the menu.

### Resolution

To access the link to the clearing house you need to select Employees in Online services for business. A screen displays which will include a link to the clearing house.

## Tax agent, BAS agent or payroll provider cannot see link to clearing house in Online services for agents

### Possible cause

The link to the clearing house doesn't display in the menu.

### Resolution

To access the link, select the client record to bring the client 'in focus', then go to the Business menu and select Small business super clearing house.

## Unable to see any employees in the clearing house

### Possible cause 1

Incorrect ABN used when linking your myGovID to your ABN in RAM.

### Resolution 1

The ABN that you link your myGovID to in RAM must be the ABN for the entity that is using the clearing house.

See [Principal authority](#)<sup>EQ</sup> on the RAM website for details on linking an ABN.

### Possible cause 2

You are accessing the clearing house via ATO online services for an individual (via myGov) instead of accessing the clearing house in Online services for business.

### Resolution 2

If you are a small business operator or sole trader with an ABN, you need to log in to Online services for business to access the clearing house.

## Message 'Enter a Fund Name to continue' appears when entering an employee's super fund name

### Possible cause

Certain characters (such as '&') are not accepted.

### Resolution

Add the super fund name again replacing '&' with 'and'.

## Message 'Enter an account name' appears when entering bank details for returned payments

### Possible cause

Certain characters (such as '&') are not accepted.

#### Resolution

Add the bank account name again replacing '&' with 'and'.

### Message 'The fund ABN is invalid, enter a different ABN' appears

#### Possible cause

Spaces have been included in the ABN.

#### Resolution

Take out any spaces and retry.

### Message 'Enter a valid email address' appears when updating your employer details

#### Possible cause

All authorised contacts have compulsory email fields that need to be populated.

#### Resolution

Check the email addresses are valid for each authorised contact listed on the 'Update details' page.

### You can access the clearing house but you cannot submit

#### Possible cause

Permissions need to be set in Access Manager to allow you to view and/or lodge.

#### Resolution

A principal authority or authorisation administrator (in RAM) needs to set permissions for you in Access Manager.

The View permission will only allow access to the clearing house – you will need the Lodge permission to allow you to submit.

The principal authority or authorisation administrator will need to log in to Access Manager.

1. Under 'Access and permissions', select the appropriate name.
2. Under the 'ATO Transactions' section, next to Small Business Super Clearing House make a selection to Lodge and/or View.
3. Click Save.

# Clearing house privacy

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- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/How-to-pay-super/Small-business-superannuation-clearing-house/Clearing-house-privacy/>
- Last modified: 26 May 2021
- QC 38556

The information you provide to the Small Business Superannuation Clearing House (the clearing house) will be used for the purpose of administering the clearing house.

The ATO is a government agency bound by the *Privacy Act 1988* in terms of collection and handling of personal information and tax file numbers (TFNs). For further information about privacy law notices please go to [ato.gov.au/privacy](https://www.ato.gov.au/privacy/).

The collection of this information is authorised by the *Superannuation Guarantee (Administration) Act 1992*.

This information may be disclosed to the relevant super funds and financial institutions in relation to payments under the clearing house program, and relevant government agencies, or as authorised or required by law.

To ensure that your business's employees are made aware of how we intend to use and disclose the information collected by the clearing house, we ask that you provide your business's employees with the following Employee privacy note.

## Employee privacy note

The information you have provided to your employer will be used by the Small Business Superannuation Clearing House program to facilitate superannuation payments to you.

The collection of this information is authorised by the *Superannuation Guarantee (Administration) Act 1992*.

This information may be disclosed to the relevant super funds and financial institutions in relation to payments under the clearing house program and relevant government agencies, or as authorised or required by law.

While it is not compulsory for you to provide your tax file number (TFN) to your super fund, if you choose not to:

- your super fund may have to pay extra income tax on contributions your employer makes for you (including salary sacrifice) and may take this extra money out of your super account
- your super fund may not be able to accept some contributions
- you may miss out on super co-contributions even if otherwise eligible.

# Clearing house terms and conditions

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- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/How-to-pay-super/Small-business-superannuation-clearing-house/Clearing-house-terms-and-conditions/>
- Last modified: 26 May 2021
- QC 38560

The Australian Taxation Office (ATO) provides the Small Business Superannuation Clearing House (SBSCH) service. It is a free online service that helps eligible Australian small businesses and eligible withholding payer number (WPN) holders to meet their super guarantee (SG) obligations. You can send your employees' super contributions to a single destination – the SBSCH – which distributes them to the employees' nominated super funds.

## SBSCH terms of use

The following terms and conditions apply to the use of the SBSCH service:

1. You must register with the SBSCH to use the service.
2. Australian small businesses, or WPN holders, with 19 or fewer employees, or with an [annual aggregated turnover](#) of less than \$10 million, are eligible to use the SBSCH service. You must be eligible to use the SBSCH service
  - at the time you register to use the service
  - each time you use the service.
3. Access to the SBSCH is through the [ATO's online services](#) (Online services for business and Online services for agents). You are responsible for establishing and maintaining access to these services.
4. You are responsible for the actions of persons using your access to the SBSCH service.
5. Access and use of the SBSCH service is monitored. The SBSCH may suspend or revoke a user's access to the service at any time if it considers it appropriate to do so.
6. Information provided to the SBSCH is treated in accordance with the *Privacy Act 1988*. The Clearing house privacy page describes how the SBSCH intends to use and disclose the information collected by it. You should provide the [employee privacy note](#) to your employees whose information you provide to the SBSCH.
7. You are responsible for ensuring that the information you provide to the SBSCH is accurate. The SBSCH is not responsible for errors or issues that result from incorrect information provided by you.
8. The SBSCH will, as your agent and in accordance with your payment instructions
  - send the employee super contribution payments to the nominated super funds
  - send the corresponding payment details (or make that information available) to those nominated super funds.



9. If you pay the correct super guarantee contribution amount on or before the relevant payment due date, your super guarantee obligation is discharged at the time of payment to the SBSCH, where the SBSCH accepts the payment.
10. The SBSCH agrees to accept your payment if
  - the SBSCH has received the payment and it has not been dishonoured
  - you have provided payment instructions that correspond to that amount
  - the payment instructions are correct insofar that a super fund can receive and allocate the payment for the benefit of your employee.
11. If you make a payment to the SBSCH without a payment instruction, we will retain the payment for no more than seven (7) business days. If you do not lodge the payment instruction within that time the payment will be returned to you. If the payment we return to you includes a super guarantee amount, you will be liable for the super guarantee charge if the super guarantee amount has not been subsequently paid to, and accepted by, the SBSCH or otherwise contributed before the relevant super guarantee payment date.
12. If you make a payment with payment instructions that are incorrect insofar that a super fund is unable to receive and allocate the payment for the benefit of your employee, we will contact you and request you correct the payment instruction.

If you correct the payment instructions so the super fund can receive and allocate the payment for the benefit of your employee, the SBSCH will accept your payment in accordance with paragraph 10 and your super guarantee obligation is still discharged on the date you made the payment to the SBSCH.

In situations where we have not accepted payment due to incorrect payment instructions and have not received corrected payment instructions, we may refund the payment to you. If the payment we return to you includes a super guarantee amount, you will be liable for the super guarantee charge if the super guarantee amount has not been subsequently paid to, and accepted by, the SBSCH or otherwise contributed before the relevant super guarantee payment date.

13. The SBSCH may provide your details to super funds to assist in the resolution of problems relating to contributions to those super funds.
14. You can make payments to the SBSCH by BPAY®, credit card or direct credit. You must use the reference number provided by the SBSCH. If using BPAY, you must also use the Biller Code provided by the SBSCH.
15. While designed as a 24/7 service, the availability of the SBSCH service, and your access to it, is not guaranteed. Functionality is also contingent on services provided by telecommunication bodies and other external factors beyond our control.
16. Changes to the SBSCH service (and system) may be made at any time. Where possible, updates or changes will be scheduled to occur outside high volume periods (for example super guarantee processing periods). The SBSCH will endeavour to keep you informed and keep changes to a minimum.
17. The SBSCH will communicate clearing house updates to you by our website.

- We will also email you directly about matters relating your use of the SBSCH. You are responsible for accessing the notices and information provided to you.
18. The SBSCH can only be used in accordance with these terms and conditions. The terms and conditions that will apply are those when the payment is made. Each time you access and use the SBSCH signifies your acceptance of the terms of use.
  19. To the extent permitted by law, the SBSCH is not liable for any claim, loss, liability or expense that you may incur as a result of your use or failure of the SBSCH services.
  20. All references in these terms of use to the SBSCH include references to the Australian Government, the Australian Taxation Office and other Commonwealth bodies from time to time responsible for its management.
  21. These terms and conditions are governed by, and are to be construed in accordance with, the laws for the time being in force in the Australian Capital Territory.

Note:

The timing of employer deductions for contributions through the clearing house is discussed in [Practical Compliance Guideline \(PCG\) 2020/6](#) *Timing of income tax deductions for superannuation contributions made through the Small Business Superannuation Clearing House - ATO compliance approach* has now been finalised and published.

## Super payment due dates

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- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Super-payment-due-dates/>
- Last modified: 26 May 2021
- QC 33753

You must pay super for eligible employees to avoid the super guarantee charge. Payments can be made at least 4 times a year. This applies from the day employees start working for you. Payment due dates occur quarterly.

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Quarterly super payment due dates

Quarter	Period	Payment due date
1	1 July – 30 September	28 October
2	1 October – 31 December	28 January
3	1 January – 31 March	28 April

When a super due date falls on a weekend or public holiday, you can make the payment on the next business day.

You can also make payments more frequently than quarterly, for example fortnightly or monthly. If you do, ensure you pay your total super guarantee (SG) contribution for the quarter by the due date.

If you have [missed or late super payments](#), you may need to pay the [superannuation guarantee charge \(SGC\)](#).

## Due date considerations

Some super funds, awards and contracts require you to pay super more regularly than quarterly.

Meeting the SG contribution payment dates does not ensure compliance with other super funds, awards and contracts.

You should check the contractual obligations you have with your super fund, award or contract to ensure super contributions are paid on time.

### Clearing houses

A clearing house distributes super contributions to your employees' funds on your behalf.

Your employee's super contribution is considered 'paid' on the date it's received by the super fund. Not the date it's received by the clearing house.

However, if you use the [Small Business Superannuation Clearing House](#), payments may be considered 'paid' on the date they're received.

Check the payment dates with your clearing house to ensure your payments will be processed before the due dates.

## Missed and late super guarantee payments

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- <https://www.ato.gov.au/Business/Super-for-employers/Missed-and-late-super-guarantee-payments/>
- Last modified: 02 Jul 2021
- QC 33750

If you do not pay an employee's super guarantee on time and to the right fund, you

must lodge the superannuation guarantee charge (SGC) statement and pay the SGC to us.

When eligibility requirements are met, late super payments can be used to offset the SGC, pay super in the current quarter or put the payment towards future super payments.

The SGC is not tax-deductible.

On this page

- [Missed super guarantee payments](#)
- [Late super guarantee payment options](#)
- [Super guarantee compliance approach](#)
- [Help and support](#)

## Missed super guarantee payments

If you do not pay an employee's super on time or to the right fund, you must:

- lodge a [superannuation guarantee charge statement](#)
- pay the super guarantee charge.

### Example: missed super guarantee payments

Teddy owns and runs a novelty store and usually always pays super for eligible employees on time. Due to unforeseen circumstances, Teddy misses paying any super to his employees' funds for the super guarantee quarterly due date of 28 April (for the quarter ending 31 March).

Teddy realises that the super guarantee quarterly due date cannot be extended by law. To avoid penalties, Teddy must lodge the superannuation guarantee charge (SGC) statement within a month of the quarterly due date (in this example: by 28 May) and pay the SGC to the ATO for the outstanding super he owes.

Teddy cannot pay the SGC in full but lodges his SGC statement through Online services for business for the quarter to the ATO by the due date to avoid additional penalties. He also sets up a flexible payment plan.

## Late super guarantee payment options


If you do not pay an employee's super on time and to the right fund, you must lodge the superannuation guarantee charge (SGC) statement and pay the SGC to us.

If you made a late super payment to an employee's super fund, you may be able to use it to:

- apply the offset to reduce the shortfall and nominal interest component of the SGC
- pay super in the current quarter
- put the payment towards future super payments (limited to a period no more than 12 months from the beginning of the quarter).

### Offset the SGC with late super payments

You can offset late payments against the SGC if you:

- made the payment to your employee's super fund
- made the payment before the date your original SGC assessment was made
- lodge your late payment offset election in the [Super guarantee \(SGC\) statement \(XLSX, 747KB\)](#)  through Online services for business within 4 years of your original SGC assessment date.
- advise us of the date of late payment to your employee's super fund.

To lodge:

- attach the spreadsheet to a new secure mail message
- select Superannuation as the topic
- select Lodge SGC Statement as the subject.

To advise of late payment date/s:

- attach evidence of the late payment/s in a separate secure mail message
- select Superannuation as the topic
- select Other as the subject.

If you are unable to lodge through Online services for business, phone us on 13 10 20 for other options.

Offset late super payments against the SGC:

- are not tax-deductible
- cannot be used as a contribution for the current quarter or future quarter's super contributions.

If you choose to have the contributions offset against the SGC, you cannot withdraw this choice.

For quarters beginning on or after 1 January 2020, a salary sacrificed contribution cannot be offset against the SGC.

#### Example: late super guarantee payment offset

Charles meant to contribute to his employee's super fund by 28 April for the quarter ending 31 March. However, he made the payment to the fund on 1 July.

Charles made his payment after the quarterly due date of 28 April but before

he lodges an SGC statement. Because of the late payment, he lodges an SGC statement through Online services for business.

When he lodges his SGC statement on 10 July, he can elect to claim the late super payment offset, which will reduce the SG shortfall and nominal interest of the SGC. Charles then pays the remaining SGC and sends evidence of the late payments through Online services for business.

## Carry forward late super payments

You can carry forward a late super payment if:

- it's for the same employee
- the start of the carried forward quarter is within 12 months after the payment date.

If you make a late super payment, you can use it to:

- offset the SGC
- count towards super guarantee in the quarter the payment is made
- put the payment towards future super guarantee quarters.

If you carry forward a late super payment, it is only tax-deductible in the year it's received by the super fund.

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### Example: late super payment carried forward

Hannah makes a late super payment for her employee on 5 November, missing the quarterly due date of 28 October.

As Hannah missed the due date, she must lodge an SGC statement and pay the SGC.

Hannah decides to carry forward the late payment made on 5 November. She uses it towards the employee super for the quarter, ending 30 March in the following year. Hannah can do this because the payment is for:

- the same employee
- a quarter in the 12 months following the date she paid it.

## Super guarantee compliance approach

Our super guarantee compliance approach supports employers who engage with us and want to get things right.

We have tools and calculators to help you understand and meet super guarantee obligations.

We'll take firmer action for employers unwilling to meet super guarantee obligations. In some cases, we will:

- undertake a super guarantee audit of an employer
- raise SGC assessments with additional penalties for not lodging the statement by the due date.

If you're unsure what action to take for your situation, phone us on 13 10 20.

### Issues meeting obligations

If you are having trouble meeting your super guarantee obligations, you should make a voluntary disclosure by completing and lodging an SGC statement by its due date, even if you cannot pay it in full.

If you do not lodge the SGC statement by the due date, a [Part 7 penalty](#) will apply.

We are more likely to reduce or waive the penalty if:

- you make a genuine attempt to meet super guarantee obligations
- you have a good compliance history.

For example, we may reduce a penalty for an employer who lodged a SGC statement after the relevant due date, but before being notified of ATO compliance action.

If you do not lodge an SGC statement before audit action has started, a greater Part 7 penalty can apply. This could be at least 100% of the SGC.

We can also help you:

- complete an SGC statement
- work out a payment plan when you are unable to pay on time
- understand your super guarantee obligations through our voluntary online [Super guarantee employer obligations course](#).

### Unwilling to meet obligations

We will take stronger compliance action – including imposing additional penalties – if you do not:

- engage with us promptly by replying to our correspondence
- take steps to resolve your outstanding super guarantee obligations.

We may also issue a:

- SGC liability estimate
- garnishee notice
- director penalty notice
- direction to pay SGC
- education direction to complete the [Super guarantee employer obligations course](#).

We take this approach with employers who:

- repeatedly do not pay the correct amount of super guarantee
- make it difficult for us to determine an SGC liability
- repeatedly fail to keep appointments
- repeatedly fail to supply information without an acceptable reason
- deliberately supply information that is irrelevant, inadequate or misleading
- engage in any behaviour to delay the supply of information.

## Help and support

- Use our Small business assist [Live Chat](#) service
- Ask [ATO Community](#) – our online community-driven forum
- [Contact us](#)

## The super guarantee charge

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- <https://www.ato.gov.au/Business/Super-for-employers/Missed-and-late-super-guarantee-payments/The-super-guarantee-charge/>
- Last modified: 26 May 2021
- QC 33743

If you do not pay an employee's minimum superannuation guarantee amount on time and to the right fund, you must pay the superannuation guarantee charge (SGC). You must also lodge an SGC statement to us.

The SGC is more than the super you would have otherwise paid to the employee's fund and is not tax deductible.

On this page

- [SGC payment and lodgment dates](#)
- [Working out the SGC](#)
- [How to pay the SGC](#)
- [Lodging and paying the SGC statement](#)
- [Our collection approach to unpaid SGC](#)

## SGC payment and lodgment dates

The due date for payment of the SGC and lodging the statement is one calendar month after the super guarantee due date.

Quarter	Super guarantee payment due date	Super guarantee charge and statement due date



1 July – 30 September	28 October	28 November
1 October – 31 December	28 January	28 February
1 January – 31 March	28 April	28 May
1 April – 30 June	28 July	28 August

For due dates that fall on a weekend or public holiday, you can make the payment and lodge the SGC statement on the next business day.

## Working out the SGC

If you miss making a super guarantee payment on time and to the right fund, you meet legal obligations by lodging an SGC statement by the due date and paying the SGC to us.

The superannuation guarantee charge is made up of:

1. the super guarantee shortfall, made up of:
  1. super calculated on salary and wages (including any overtime)
  2. any choice liability, based on the shortfall and capped at \$500
2. nominal interest of 10% per annum (accrues from the start of the relevant quarter)
3. an administration fee of \$20 per employee, per quarter.

The easiest option to work out the SGC is to use the [Super guarantee charge \(SGC\) statement \(XLS, 747KB\)](#) .

There are 3 ways to lodge your SGC statement:

1. Use the SGC calculator in Online services for business or Online services for individuals. The statement will also calculate your liability.
2. Complete the SGC statement spreadsheet and lodge using Online services for business or Online services for individuals.
3. Use the super guarantee charge statement and calculator tool to generate a PDF version of your statement. You can print this and mail it to us. Note: We don't recommend this option as there is a higher chance for mistakes and takes much longer to process.

### Use the SGC statement in Online services for business or Online services for individuals

Lodge a SGC statement through the Online forms section of Online services for business or Online services for individuals.


The SGC calculator will ask you a series of questions to help work out:

- if you need to pay the SGC for your employees
- how much you need to pay.

At the end, the calculator will electronically lodge your SGC statement with us.

[Sign in to Online services for business](#)

### Complete the SGC statement spreadsheet and lodge using Online services for business or Online services for individuals

Complete the [Super guarantee charge \(SGC\) statement \(XLS, 747KB\)](#)  and send it to us using the 'Secure Mail' function in Online services for business or Online services for individuals. The spreadsheet will:

- work out the nominal interest component
- not work out the super guarantee shortfall.

Make sure to:

- complete a separate spreadsheet for each quarter
- refer to the first tab of the spreadsheet for completion instructions
- use the .xls format when you save the spreadsheet.

To send the spreadsheet to us:

- open the Secure Mail function
- select New Message
- select Topic = Superannuation
- select Subject = Lodge SGC statement.

You can attach up to 6 spreadsheets. The total size of the attachments needs to be 46MB or less.

### Use the super guarantee charge statement and calculator tool and mail the statement

Use the [super guarantee charge statement and calculator tool](#) to work out:

- if you need to pay the SGC for your employees
- how much you need to pay.

We do not recommend this option as there is a higher chance for mistakes and takes much longer to process.

If you need to pay the SGC charge you can create a PDF version of the SGC statement.

If you are a WPN holder without an ABN, enter 70707070707 into the ABN section to complete the SGC statement. Include a cover note quoting your WPN as a reference when you mail the signed and completed statement.

Mail the completed statement to:

Australian Taxation Office  
PO Box 3578  
ALBURY NSW 2640

## How to pay the SGC

To pay your super guarantee charge you need a [payment reference number](#) (PRN).

If you have an SGC-related notice or payment slip from us for the same ABN or WPN, you can use the same PRN that is on it to pay us.

In Online services for business and Online services for individuals, the PRN can be found at the:

- print option on the SGC lodgment summary screen
- accounts summary screen
- payment screens for BPAY or Other payment methods.

If you need a new PRN you can phone 1800 815 886 between 8.00am–6.00pm, Monday to Friday. Make sure you have your ABN or WPN and contact details with you when you call.

When you have your PRN, you can pay us the SGC.

[Pay the SGC](#)

## Lodging and paying the SGC statement

[Super payment due dates](#) occur quarterly. To avoid paying the SGC, you must pay on time.

If you cannot pay by the due date, you still need to lodge the SGC statement on time.

### Why lodge on time?

When you lodge on time, you can access our support services that provide [help with paying](#). If you cannot pay in full, but you lodge by the due date, you may be able to set-up a payment plan to pay in instalments.

If you miss a due date, interest for paying super will accrue until you lodge your

SGC statement. Nominal interest is part of the SGC and, by law, cannot be reduced or waived.

## Request an extension to lodge an SGC statement

If you request an extension of time to lodge an SGC statement, the general interest charge (GIC) applies from the deferred payment request until the SGC is paid in full.

You must make the request before the due date by either:

- writing to us and stating why you need an extension
- phoning us on 13 10 20.

## Our collection approach to unpaid SGC

We prioritise the collection of unpaid SGC debts. We'll work with you to address outstanding amounts but if you don't engage with us we'll take [stronger action](#) which can include additional [penalties](#).

If an employee reports you for unpaid super, we'll start an investigation on their behalf. We'll keep them informed of the investigation and the progress of our debt recovery actions.

If we find or reasonably suspect that you haven't met your obligations, we may inform all your affected employees and any former employees of any superannuation guarantee shortfall.

## Super guarantee charge amendments or objections

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- <https://www.ato.gov.au/Business/Super-for-employers/Missed-and-late-super-guarantee-payments/The-super-guarantee-charge/Super-guarantee-charge-amendments-or-objections/>
- Last modified: 26 May 2021
- QC 65746

When we receive your superannuation guarantee charge (SGC) statement, it is an assessment made on that date. You can request an amendment or object to an assessment.

On this page

- [SGC amendments](#)
- [SGC objections](#)
- [Appeals and review process](#)

## SGC amendments

You can ask for an amendment to your assessment within 4 years of the date it was made. You must provide copies of all supporting documentation with your amendment request.

## SGC objections

You can object to your assessment within 60 days of the date it was made.

If you do not agree with our assessment, you must:

- [object to a decision](#) in writing by responding to all criteria
- sign your statement (or have an authorised representative sign it)
- provide us with copies of evidence supporting your objection.

You must still pay [the super guarantee charge](#) (SGC) even if you object or request an amendment. If your amendment and/or objection request is successful, we will refund any overpayment.

If you do not pay the SGC, a general interest charge (GIC) will apply until either the outstanding debt is paid, or you successfully request a reduction. The law does not allow you to object to the GIC. However, you can ask us to reduce it if your situation is exceptional, meaning a much higher standard than unusual.

## Appeals and review process

If your objection is not allowed in full, you can:

- apply to the Administrative Appeals Tribunal for a review
- appeal to the Federal Court against the decision.

You will need to go to your relevant state Tribunal or Court website for applications and pay the fee. You must do this within 60 days of receipt of the objection decision.

## Superannuation guarantee amnesty

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- <https://www.ato.gov.au/Business/Super-for-employers/Missed-and-late-super-guarantee-payments/The-super-guarantee-charge/Superannuation-guarantee-amnesty/>
- Last modified: 06 Jul 2021
- QC 55626

Applications for the super guarantee (SG) amnesty closed on 7 September 2020.

If you have any unpaid or late-paid super to disclose after this date, you'll need to

lodge a *Superannuation guarantee charge statement* and pay the super guarantee charge (SGC).

Super guarantee amnesty application forms received after 11.59pm local time 7 September 2020 will be treated as a standard lodgment of a Superannuation guarantee charge statement.

If you qualified for the amnesty, you need to pay the amount of SGC you owe or set up a payment plan and meet each ongoing instalment to avoid being disqualified and losing the benefits of the amnesty.

On this page:

- [Pay in full or set up a payment plan](#)
- [Amnesty disqualifications](#)
- [Deductible amnesty payments](#)
- [Disclosing late, unpaid or underpaid super](#)
- [Refunds – overpayment and tax deductions](#)
- [Outcomes of the superannuation guarantee amnesty](#)

## Pay in full or set up a payment plan

If you have been advised that your disclosure was eligible for the amnesty, to remain eligible, you must either:

- pay the SGC amount in full
- enter into a payment plan to pay the SGC amount owing and meet each ongoing instalment amount.

Do not pay the amount owing to your employees' super funds or through a clearing house. The SGC amount payable disclosed in amnesty application forms must be paid to us.

If you are unable to pay in full, we will work with you to establish a payment plan to help you to continue making payments. These arrangements include flexible payment terms and amounts which we'll adjust if your circumstances change.

If you are a small or medium business and you need further assistance managing your tax and super obligations:

- contact our Emergency Support Infoline on 1800 806 218
- speak with a trusted tax adviser.

See also:

- [COVID-19](#)
- [Help with paying](#)

## Amnesty disqualifications

If you're unable to maintain payments after we work with you, the law requires us to disqualify you from the amnesty and remove the amnesty benefits for any unpaid

quarters.

If your disclosure is disqualified from the amnesty, we will:

- notify you in writing of the quarters you are disqualified for
- charge you the administration component of \$20 per employee included in the disqualified quarter
- consider your circumstances when deciding whether the Part 7 penalty should be remitted
- issue a notice of amended assessment with the increased amount owing
- work with you through our debt processes to collect the amount outstanding.

Any payments you make for a disqualified quarter will not be tax deductible, even if you made payments before 7 September 2020.

Since January 2021, we've been taking firmer action to disqualify employers who still haven't paid the amount they owe in full and don't have an active payment plan. We are:

- writing to and phoning employers who haven't paid the total amount they disclosed under the amnesty and don't have a payment plan in place
- advising the date by which they must pay or set up a payment plan to retain the benefits of the amnesty
- disqualifying unpaid quarters from the amnesty and removing the benefits if employers fail to pay or setup a payment plan by the due date.

We understand people are facing a unique and ongoing set of challenges. We are committed to understanding your situation and want to work with you so you can retain the benefits of the amnesty and avoid disqualification.

If you can't pay in full, you may be able to set up a payment plan to pay in instalments. You need to consider how much you can pay so you can meet each ongoing payment amount and future obligations.

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#### Example: SG amnesty payment plan

Lucia applies for the SG amnesty for five quarters from 1 January 2016 to 31 March 2017. The ATO advises her she is eligible for the amnesty for all of the quarters. The amount of SG shortfall and nominal interest she owes is \$500 per quarter – a total of \$2,500.

Lucia sets up a payment plan to pay \$500 a month for five months.

She pays two instalments of \$500 each (\$1,000 in total) which cover the amounts owing for the quarters 1 January 2016 to 30 June 2016.

Lucia fails to pay the next three instalments in her payment plan and doesn't renegotiate her payment plan with the ATO.

As a result of the disclosures and instalments Lucia has paid, the quarters

1 January 2016 to 30 June 2016 remain eligible for the amnesty. However, the disclosures for 1 July 2016 to 31 March 2017 are disqualified from the amnesty.

The ATO advises Lucia which quarters are disqualified for the amnesty and amends the assessments to add the administration component and Part 7 penalties to those quarters.

Because Lucia made the disclosure of unpaid SGC before the end of the amnesty period without the ATO prompting her, the Part 7 penalties may be remitted below 100% of the SGC.

The ATO continues to work with Lucia through its debt collection processes to collect the remaining amount of SGC she owes to her employees. This is \$1,500 unpaid SG plus the administrative component and general interest charge.

## Deductible amnesty payments

You can only claim a tax deduction for eligible amnesty payments you made from 24 May 2018 to 7 September 2020.

Payments made after 7 September 2020 are not deductible.

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Example: Payments eligible for a tax deduction

Bob lodged SG amnesty forms for four quarters after 6 March 2020. The ATO advised Bob the super guarantee charge owed was eligible for the SG amnesty. Bob's total shortfall for all quarters is \$30,000.

Bob is unable to pay the full \$30,000 at the time of lodging the SG amnesty forms. Bob goes to the ATO website to set up a payment plan which extends beyond 7 September 2020 to make equal monthly payments to pay the SGC amounts due.

Bob only made one monthly payment of \$7,500 by 7 September 2020 (the end of the amnesty period).

After 7 September 2020, Bob continues to make all the required monthly payments under the conditions of the payment plan which total \$22,500 and he remains eligible for the benefits of the amnesty.

Bob can only claim a tax deduction for the \$7,500 he paid before 7 September 2020.



## Disclosing late, unpaid or underpaid super

If you identify late, unpaid or underpaid SG amounts for a quarter that was covered by the amnesty (1 July 1992 to 31 March 2018) and did not disclose by 7 September 2020, then the following applies:

- You must lodge a *Superannuation guarantee charge statement* as soon as you are aware of the shortfall and before we start an audit of your obligations for us to consider if any Part 7 penalty applied can be remitted below 100% of the SGC.
- If you don't lodge an SGC statement voluntarily and we commence an audit on your SGC obligations for a quarter covered by the amnesty, the Commissioner's ability to remit the Part 7 penalty is restricted by law to a minimum penalty of 100% of the SGC.

See also:

- [Missed and late payments](#)
- [Our compliance approach](#)
- [Penalties, amendments and objections](#)

## Refunds – overpayment and tax deductions

We recognise that for some employers, their participation in the SG amnesty will result in them receiving a refund.

This may occur where we removed the administration component on SGC statements eligible for the amnesty received between 24 May 2018 and 6 March 2020, and employers have paid the total amount owing, including the administration component.

If you have made payments of SGC or contributions to employee super funds in 2017–18 or 2018–19 that are eligible for income tax deductions, you should include this deduction in your tax return for the relevant year. When we have amended your tax return, we will pay any refund due as soon as possible. Generally this will be within 14 days.

To allow us to issue your refunds in a timely manner, make sure that your financial institution account details are updated and correct. You can do this using the Business Portal or by phoning us on 13 10 20.

## Outcomes of the superannuation guarantee amnesty

The superannuation guarantee (SG) amnesty which closed on 7 September 2020 provided employers who had fallen behind with their SG obligations to catch up with these payments for their workers without having to pay the administrative component or the Part 7 penalties of the SG charge.

We have now processed all disclosures made under the SG amnesty and around 90% of employers have paid or entered into a payment plan.

This page provides data as at 30 April 2021 about the outcomes of the SG amnesty.

On this page:

- [Amounts disclosed](#)
- [Businesses that disclosed](#)

See also:

- [Superannuation guarantee amnesty](#)

## Amounts disclosed

Around 28,300 employers qualified for the amnesty, disclosing around \$911.5 million and covering around 195,600 quarters.

The amnesty will result in a total of over \$850 million flowing to super funds, benefiting the retirement savings of more than 692,200 employees. Of this:

- \$796.1 million has been paid
- \$62.3 million are under agreed payment plans.

## Businesses that disclosed

Over 70% of the employers who qualified for the amnesty were small businesses with an annual turnover less than \$2 million. Businesses with a turnover greater than \$250 million accounted for 3% of eligible employers.

The top five industries, accounting for around 55% of employers who qualified for the amnesty and 45% of the amounts disclosed were:

- construction
- retail trade
- professional scientific and technical services
- accommodation and Food Services
- other services.

## Super guarantee penalties

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- <https://www.ato.gov.au/Business/Super-for-employers/Missed-and-late-super-guarantee-payments/Super-guarantee-penalties/>
- Last modified: 26 May 2021
- QC 44708

If you do not meet your super guarantee (SG) obligations, you may have to pay additional penalties or charges on top of the super guarantee charge (SGC).

On this page

- [Additional superannuation guarantee charge \(Part 7 penalty\): failing to provide an SGC statement when required](#)
- [Administrative penalty](#)
- [Avoiding your super obligations through arrangements](#)
- [Director penalties](#)
- [General interest charge \(GIC\)](#)
- [Additional penalties](#)

## Additional superannuation guarantee charge (Part 7 penalty): failing to provide an SGC statement when required

You're liable for a Part 7 penalty – *Superannuation Guarantee (Administration) Act 1992* (SGAA) – if you lodge your SGC statement late or fail to provide a statement or information when requested during an audit. The maximum penalty is 200% of the SGC.

### Administrative penalty

If you pay less of the SGC than you should because you made a false or misleading statement, you may receive an administrative penalty.

The base penalty amount can:

- be up to 75% of the shortfall
- vary according to your situation.

### Avoiding your super obligations through arrangements

If you make arrangements to avoid super guarantee obligations, you may incur the charge you avoided plus an additional penalty.

### Director penalties

If you are a director of a company, you need to pay the SGC in full by the due date. If you do not, you'll be liable for a penalty equal to the unpaid amount.

When an SGC amount remains outstanding, we may issue a director penalty notice (DPN). Even without issuing a notice, we can collect the penalty by other means. For example, by withholding a tax refund.

The penalty is reduced if your company pays the outstanding amount at any time. Under some conditions, it may be reduced if your company goes into voluntary administration or liquidation.

### General interest charge (GIC)

This additional charge applies if you lodge an SGC statement but do not pay the

super guarantee charge by the due date. GIC:

- will continue to increase from the date your SGC is due up to the date you pay your SGC amount in full
- is calculated on a daily compounding basis
- is tax-deductible in the year you incur it.

## Additional penalties

### Choice liability

If you do not give eligible employees a [choice of super fund](#) you could receive a 'choice liability' penalty.

A choice liability penalty applies if you:

- do not give your eligible employee a [Superannuation standard choice form](#) within the required timeframe
- pay your eligible employee's super to a complying fund but not the fund they chose
- charge your employee a fee for implementing their choice of fund.

The choice liability penalty increases the SGC.

### Failing to keep adequate records

The maximum fine for an individual convicted of failing to keep records is 30 [penalty units](#). You may also be liable for an administrative penalty of 20 penalty units.

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Penalty amounts for failing to keep adequate records

Date infringement occurred	Penalty unit amount
On or after 1 July 2020	\$222
1 July 2017 – 30 June 2020	\$210
31 July 2015 – 30 June 2017	\$180
28 December 2012 – 30 July 2015	\$170
Up to 27 December 2012	\$110

### Failing to provide employee's TFN to super fund

If an eligible employee has provided a TFN to you and you do not provide the employee's TFN to their super fund or retirement savings account within the required time, you're liable 10 penalty units.

The TFN is required at the time you make the super guarantee contribution. If the employee provides the TFN to you less than 14 days before the next contribution, you must pass on the TFN within 14 days.

## Employers affected by disasters


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- <https://www.ato.gov.au/Business/Super-for-employers/Missed-and-late-super-guarantee-payments/Employers-affected-by-disasters/>
- Last modified: 26 May 2021
- QC 44709

If disasters make paying super guarantee contributions on time difficult, we can help.

Contact us as soon as possible on 13 10 20, if you're unable to make your quarterly super contributions by the due date because you are either:

- impacted by a natural disaster
- located in a disaster affected area.

By law, we cannot extend the due date to pay the super guarantee charge (SGC). You will need to lodge a [Superannuation guarantee charge \(SGC\) statement \(XLSX, 747KB\)](#)  and pay the charge if you did not make contributions to a super fund on time. If required, we can talk to you about a payment plan.

If your records are lost or damaged in a disaster, you can make an estimate of super guarantee contributions using old records. You could get these records from:

- your employees
- your bank
- the super funds you pay contributions to
- records of PAYG payments you've made.

Make sure your employees understand how you are going to calculate their super payments using an estimate.

If you are closing down your business because of a disaster, you still need to pay your employee super obligations before you close.

## Super obligations for employers checklist

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- <https://www.ato.gov.au/Business/Super-for-employers/Super-obligations-for-employers-checklist/>
- Last modified: 26 May 2021
- QC 50339

Part of your obligations as an employer is to pay superannuation guarantee. Super provides income for your employees in their retirement. Use this checklist to ensure you're meeting your super obligations.

On this page

- [Eligibility](#)
- [Selecting a fund](#)
- [Pay and report electronically](#)
- [Paying on time](#)
- [Record keeping](#)
- [Help and support](#)

Watch the video for more details about your super obligations:

Media: Super obligations for employers

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubir38mw><sup>E3</sup> (Duration: 01:32)

## Eligibility

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Paying your employees the right amount of super

Have you determined	Answer
• which employees are <a href="#">eligible for super contributions</a> ?	YES/NO
• if any <a href="#">contractors are eligible for super contributions</a> ?	YES/NO
• if you should apply for a <a href="#">Certificate of coverage</a> for employees you're sending overseas	YES/NO
• what payments are considered <a href="#">ordinary time earnings</a> ?	YES/NO

## Selecting a fund

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## Selecting a super fund to pay your employees' super contributions

Have you	Answer
<ul style="list-style-type: none"><li>• <a href="#">offered your employees a choice of super fund</a>?</li></ul>	YES/NO
<ul style="list-style-type: none"><li>• <a href="#">provided your employees' TFN to their fund of choice</a>?</li></ul>	YES/NO
<ul style="list-style-type: none"><li>• understood <a href="#">how to pay super</a>. Ensured you're paying super to a complying fund or retirement savings account (RSA)?</li></ul>	YES/NO
<ul style="list-style-type: none"><li>• <a href="#">selected your default super fund</a> if your employee hasn't given you the details of their fund of choice?</li></ul>	YES/NO

## Pay and report electronically

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To avoid the super guarantee charge, pay your employees by the quarterly due date

Have you	Answer
<ul style="list-style-type: none"><li>• determined <a href="#">how much super to pay your employees</a>?</li></ul>	YES/NO

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There are 3 ways you can pay and transfer data to your employees' superfund

Have you complied with SuperStream by making payments and providing data electronically	Answer
<ul style="list-style-type: none"><li>• through a <a href="#">SuperStream</a> compliant system?</li><li>• through a commercial clearing house or the <a href="#">Small Business Superannuation Clearing House</a>?</li><li>• through your super fund, if it offers this service?</li></ul>	YES/NO

## Paying on time

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## Paying contributions on time

Have you	Answer
<ul style="list-style-type: none"><li>checked your <a href="#">super payment due dates</a>?</li></ul>	YES/NO
<ul style="list-style-type: none"><li>paid super contributions on time?</li></ul>	YES/NO
<ul style="list-style-type: none"><li>paid super contributions at least 4 times a year?</li></ul>	YES/NO

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## If you haven't paid on time

Have you	Answer
<ul style="list-style-type: none"><li><a href="#">calculated the super guarantee charge</a>?</li></ul>	YES/NO
<ul style="list-style-type: none"><li><a href="#">lodged the Superannuation guarantee charge statement</a>?</li></ul>	YES/NO
<ul style="list-style-type: none"><li>paid the <a href="#">superannuation guarantee charge</a>?</li></ul>	YES/NO

## Record keeping

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### Record keeping obligations for employers

Have you kept accurate records	Answer
<ul style="list-style-type: none"><li>that are written in English or can be easily accessed and converted into English?</li></ul>	YES/NO
<ul style="list-style-type: none"><li>for 5 years?</li></ul>	YES/NO
<ul style="list-style-type: none"><li>that if electronic, has software that can access older file types such as CDs?</li></ul>	YES/NO



<ul style="list-style-type: none"> <li>of receipts or other documents issued by the fund showing you've made contributions for each employee?</li> </ul>	YES/NO
<ul style="list-style-type: none"> <li>that show how much super guarantee (SG) you paid for each employee and how it was calculated?</li> </ul>	YES/NO
<ul style="list-style-type: none"> <li>that show you've offered each eligible employee a choice of super fund?</li> </ul>	YES/NO

## Help and support

- For superannuation enquiries, phone 13 10 20

## Super guarantee employer obligations course

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- <https://www.ato.gov.au/Business/Super-for-employers/Super-guarantee-employer-obligations-course/>
- Last modified: 26 May 2021
- QC 65747

The super guarantee employer obligations course is designed to educate employers about their super guarantee (SG) responsibilities for eligible employees.

After completing this course you'll have a better understanding of super guarantee, including:

- the importance of paying
- when to pay
- how to set it up
- how much to pay
- how to lodge and pay
- what to do when a payment is late or missing
- record-keeping requirements.

You can take an assessment after completing the course to test your understanding.

Once you've successfully completed the assessment (with a score of 80% or

higher), a certificate of completion will be available for you to save and print.

The assessment result for employers directed by the Commissioner of Taxation to undertake this course will be automatically forwarded to us. Keep your certificate of completion until you receive written confirmation that you've complied with the direction.

## Course overview

The course should take around two hours to complete. You do not have to do the whole course in one sitting – you can make a start now and continue later.

Work through the 8 modules in the order listed below:

- Module 1: Overview of superannuation
- Module 2: Working out if you must pay super
- Module 3: Setting up super for your employees
- Module 4: Calculating super guarantee
- Module 5: Paying super contributions
- Module 6: Correcting late super payments
- Module 7: Reducing the risk of penalties
- Module 8: Resources

[Start the course now](#)

## Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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