

Superannuation Guarantee

In addition to employees' salaries and wages, employers are required to pay super contributions on behalf of all their eligible employees. This compulsory contribution is the superannuation guarantee. It requires you to pay super for your eligible employees, contribute to the correct super funds, and pay contributions by the cut-off date each quarter. The minimum super amount you are required to pay is 9% of each eligible employee's earnings base (usually their ordinary time earnings).

NOTE: From 1 July 2008 onwards you should always use ordinary time earnings.

You are generally required to pay super for your employees if all these descriptions apply to them:

- They are between 18 and 70
- They are paid \$450 or more (before tax) in a calendar month
- They work full-time, part-time, or on a casual basis

You also have to pay super for any employee if all these descriptions apply to them:

- They are under 18 years of age
- They are paid \$450 or more (before tax) in a calendar month
- They work more than 30 hours in a week on a full-time, part-time, or casual basis

NOTE: You may also need to pay super for any employees who are visiting Australia on a temporary resident visa.

The ATO provides the following tools to help you understand and meet your obligations:

- **Superannuation Guarantee Charge (SGC) statement and calculator** - Calculate your SGC liability and prepare the SGC statement.
- **Employee/contractor decision** - Determine whether your new or existing workers are contractors or employees (for tax and super purposes)
- **Superannuation guarantee eligibility decision** - See whether you need to make super contributions for your employees
- **Superannuation guarantee contributions calculator** - Calculate how much super you should be contributing for your eligible workers.