

SUPERANNUATION FOR LANDCARE EMPLOYEES

YOUR ORGANISATION'S SUPER OBLIGATIONS TO PAID EMPLOYEES

If your Landcare group has paid employees, it is obliged to pay superannuation.

Generally, if you pay an employee \$450 or more (before tax) in a calendar month, you have to pay them super guarantee (SG) on top of their wages.

If your employee is under 18 or is a private or domestic worker, such as a nanny, they must also work for more than 30 hours per week to qualify.

For example, you will have to pay them super on top of their wages for each week that the employee has worked more than 30 hours.

You have to pay super for some contractors, even if they quote an Australian business number (ABN).

You pay super regardless of whether the employee:

- is full-time, part-time or casual
- receives a super pension or annuity while still working – including those who qualify for the transition-to-retirement measure
- is a temporary resident, such as a backpacker or a working holiday maker – when they leave Australia, they can claim their super through the Departing Australia superannuation payment (DASP) program
- is a company director
- is a family member working in your business – provided they are eligible for SG.

The super guarantee requires employers to provide sufficient super support for their employees. Employers are obliged to contribute a minimum percentage of each eligible employee's earnings (ordinary time earnings) to a complying super fund or retirement savings account (RSA).

The minimum super you must pay each quarter for each eligible employee is called the super guarantee (SG). Currently the SG is 9.5% of their ordinary time earnings (OTE).

For clarification on what is considered Ordinary Time Earnings, visit the ATO's checklist at: www.ato.gov.au

HOW MUCH SUPER TO PAY

The Superannuation Guarantee rate of 9.50% will increase over the coming years. Groups should check with their financial advisor and/or the ATO for the current rate, until it reaches 12% in 2019-20.

WHEN TO PAY SUPER

Superannuation contributions must be paid to a complying superannuation fund on at least a quarterly basis. The due date is the 28th day of the month following the end of the preceding quarter, e.g. 28th July, 28th October, etc.



SUPERANNUATION FOR LANDCARE EMPLOYEES

YOUR ORGANISATION'S SUPER OBLIGATIONS TO PAID EMPLOYEES

The Australian Government's register of complying super funds, which follow the rules of the Superannuation Industry (Supervision) Act 1993, is available at: <http://superfundlookup.gov.au/>

ARE THERE EXEMPTIONS?

Superannuation does not need to be contributed by the employer where:

- Salary and wages for an employee are less than \$450 within any calendar month;
- Employees are aged 70 years or more; or
- Employees are under 18 years, working 30 hours or less per week.

NOTE: Employees may also contribute to a nominated superannuation fund. This could be pre or post tax deduction from their remuneration.

CAN EMPLOYEES CHOOSE WHICH SUPER FUND?

Employees that are not paid under an Award may nominate a preferred complying superannuation for the contributions.

An employer is required to act on the employee's request within two months of the employee completing and returning the Standard Choice Form (NAT 13080) available at: www.ato.gov.au/Forms/Choosing-a-super-fund---standard-choice-form---instructions/

DISCLAIMER: The information contained in this publication is based on knowledge and understanding at the time of publication. However, because of advances in knowledge, users are reminded of the need to ensure that information upon which they rely is up to date and to check currency of the information with the user's independent advisor.

