

# FACT SHEET

## The Super Guarantee

The superannuation guarantee (SG) was commenced in 1992 to ensure Australians have some superannuation on which to retire. Employers are currently required to contribute a minimum percentage of each eligible employee's (ordinary time) earnings to a complying super fund or a Retirement Savings Account (RSA).

### Eligibility

To be eligible for the super guarantee, employees must:

- Be paid at least \$450 before tax in a calendar month.

People under 18 may qualify for the SG if they work 30 hours or more a week.

Eligibility for the SG is not met for:

- employees who are paid less than \$450 per month (before tax);
- employees under 18 years of age who are working for 30 hours or less per week;
- certain employees who work as members of the Defence Force Reserves;
- non-resident employees who are paid solely for work undertaken outside Australia;
- resident employees who are employed by non-resident employers and are paid solely for work undertaken outside Australia;
- certain overseas executives on specified class of visa working in Australia;
- employees paid for work of a domestic nature of 30 hours or less in a week;

- employees receiving payments under the Community Development Employment Program;
- employees who chose not to receive employer contributions prior to the abolition of the Reasonable Benefit Limits; and
- employees temporarily working in Australia who are covered by a bilateral superannuation agreement.

### Contractors

Contractors may be eligible for a SG payment if they work under a contract that is principally for their labour. As well as manual labour, mental and artistic work is also considered as labour. To find out more, visit the Australian Taxation Office's (ATO) website: [www.ato.gov.au](http://www.ato.gov.au).

The SG rate is expected to increase in future years as per the following:

1 July 2014	9.50%
1 July 2021	10.00%
1 July 2022	10.50%
1 July 2023	11.00%
1 July 2024	11.50%
1 July 2025	12.00%

### Information to Give Your Employer

On commencement of employment you will need to provide your employer with details of the superannuation fund to which you want your SG payments contributed. Your employer may ask

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3/26 Bougainville Street  
Manuka ACT 2603

Phone 1300 020 110

[fid@nationalseniors.com.au](mailto:fid@nationalseniors.com.au)

[fid.org.au](http://fid.org.au)



you to fill out a Standard Choice Form which is available on the ATO's website [www.ato.gov.au](http://www.ato.gov.au). You have 28 days from receiving the Standard Choice Form to complete it. There are a few ways the Standard Choice Form can be filled out:

1. If you are a member of a fund, there is a section that allows you to provide your membership details. Your employer will then pay super into that particular fund.
2. If you are not a member of a fund, then you can either choose to join one and provide the details of that fund or fill out the section of the form whereby you agree to allow your employer to make the payment to the default MySuper fund. If you do not fill out and submit the form in time or choose not to complete it, your employer will make payment to the default 'MySuper' fund.

The standard choice form requests a Superannuation Product Identification Number (SPIN) and an Australian Business Number (ABN). You can find the fund's ABN by contacting the fund or by visiting [www.business.gov.au](http://www.business.gov.au) and searching 'Super Fund Lookup'.

## MySuper

Employer contributions made to eligible employees who do not nominate a chosen superannuation fund are required to be contributed to an authorised 'MySuper' fund. MySuper are accumulation funds that offer a lower fee base while offering basic features. This is to avoid paying for services that may not be needed. MySuper funds may offer investment options designed for life stages. For more information on MySuper funds visit the Australia Prudential and Regulatory Authority (APRA) website at [www.apra.gov.au](http://www.apra.gov.au) and the Australian Taxation Office (ATO) website at [www.ato.gov.au](http://www.ato.gov.au).

## Your Tax File Number (TFN)

You will need to provide your TFN to your super fund. If you do not, you will pay more tax on your super earnings than you need to. Also, if your super fund does not have your TFN, then you will not be eligible to make personal contributions or be eligible for the superannuation co-contribution. If you do not have a TFN, you can download an application form from the ATO website [www.ato.gov.au](http://www.ato.gov.au), or can order one by calling the ATO on 1300 720 092.

## Super Guarantee Payments

Your SG payments are a minimum percentage of your earnings base. As from 1 July 2008 all employers are required to calculate the minimum SG contributions using Ordinary Time Earnings (OTE). This is what you earn for your usual (or ordinary) hours of work and included in OTE may be items such as Allowances (excluding reimbursements), Casual shift loading, Bonuses, Annual leave, Long Service leave, Sick leave, Commissions and the like.

## Maximum Contribution Base

From 1 July 2017 the maximum Super Guarantee payment employers are required to pay is the equivalent to the Concessional Contribution Cap – currently \$25,000. For previous years the amount was based on a Maximum Contribution Base. This was the maximum quarterly earnings base used to cap SG contributions. Employers were not required to pay the SG on earnings above these limits.

For previous years they were as follows:

Income Year	Maximum Quarterly Contributions Base
2014 - 2015	\$49,430
2015 - 2016	\$50,810
2016 - 2017	\$51,620

## Payments of SG to Superannuation Funds

Employers must make SG payments for eligible employees for work commencing on their first day. SG payments must be made into a complying super fund at least four times a year. The cut off dates for each quarter's payments are in the following table:

Quarter	Period	Payments must be made by
1	1 July – 30 September	28 October
2	1 October – 31 December	28 January
3	1 January – 31 March	28 April
4	1 April – 30 June	28 July

