

# Super made simple for employers

**This fact sheet will help you understand your obligations as an employer when paying super to employees.**

## Who do you pay super for?

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
- A temporary resident (e.g. backpacker)
- A company director
- A family member working in your business.\*

## Employees aged under 18

Super is paid for workers under 18 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 up until 30 June 2022.\*^

## Contractors

You must pay super for contractors if:

- You pay them mainly for their labour
- You pay them \$450 or more (before-tax) in wages or salary in a calendar month up until 30 June 2022.\*^

This is the case even if they quote an Australian Business Number (ABN).

For more details check out the Australian Taxation Office's **employee/contractor decision tool** available at [ato.gov.au](http://ato.gov.au) or refer to the BUSSQ fact sheet '*Paying super for contractors*'.

^ From 1 July 2022, an employer must pay super guarantee (SG) contributions to an employee's super fund regardless of how much they are paid. Employees will still need to satisfy other eligibility requirements. Visit [ato.gov.au](http://ato.gov.au) for more details.

\*Source: Australian Taxation Office, 'Work out if you have to pay super', [ato.gov.au](http://ato.gov.au).

## Onboarding new employees

Most new employees need to be given a super standard choice form that includes the details of your default fund.

The employee can use this ATO form to let you know where they would like their super to be paid. Alternatively, they can also complete the **BUSSQ choice of fund form** and return it to you if they wish to choose BUSSQ.

If BUSSQ is your default fund, then the **About BUSSQ (induction) flyer** along with the **BUSSQ MySuper PDS** and **Financial Services Guide** can be included in your induction kits. These can be downloaded from [bussq.com.au](http://bussq.com.au). Your BUSSQ Relationship Manager can also assist your new employees with information about how BUSSQ can help them.

## Stapling

From 1 November 2021, there is a requirement for employers to check if a new employee has a 'stapled' (i.e. existing) super fund, if they don't advise the employer of their choice of fund.

Employers can do this by logging into the **ATO's Online Services** once an employer/employee relationship has been established. Simply go to [ato.gov.au](http://ato.gov.au) for more details on stapling and how to search for a stapled super fund.

### PLEASE NOTE

Where there is no stapled fund for an employee, the employer can make a payment to their default super fund.

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### How much super to pay employees?

The minimum super you must pay an eligible employee is the super guarantee (SG) percentage of an employee's ordinary time earnings (OTE).

The below table highlights the current SG rate and how much it's set to increase to each year, until it reaches 12% by 2025.

#### Super guarantee (SG) rates

1 July 2021	10%
1 July 2022	10.5%
1 July 2023	11%
1 July 2024	11.5%
1 July 2025	12%

#### PLEASE NOTE

If an employee works under an industrial agreement such as an Enterprise Bargaining Agreement (EBA) or Australian Workplace Agreement (AWA), their minimum amount of super may differ and be set to a higher rate than the current SG. Also, if the agreement is lower than the current SG rate, the higher SG amount must be paid.

### What are ordinary time earnings (OTE)?

Ordinary time earnings is the amount your employees earn for their ordinary hours of work. This includes over-award payments, commissions, shift loading, annual leave loading, allowances and bonuses. See the 'OTE Checklist: What's included?' section for full details.

### Ordinary hours

Your employees' ordinary hours are the normal hours they work unless their hours are specified in an award or agreement. Overtime is not included in OTE, subject to certain conditions.

### How to pay super?

Super contributions must be paid electronically in a SuperStream compliant manner. Many payroll providers will offer this service.

BUSSQ is here to help you meet your super obligations as an employer. We offer employers a clearing house solution, where you make one super contribution for all employees regardless of which super fund their super is with.



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

To register for this service (i.e BUSSQ's *EmployerAccess*):

1. Visit [bussq.com.au](https://bussq.com.au).
2. At the top right of the page see '**Login**', then select '**Employer**'.
3. Click '**Register Now**' in the '**Register for EmployerAccess**' box.
4. Then **follow the prompts**.

### When do you pay super?

Super guarantee contributions need to be paid at least four times a year. The quarterly due dates are outlined in the table. However, super can be paid more often than this. In the case of a signed employment agreement such as an EBA employers may be required to remit their super on a monthly basis.

Period	SG Contribution Due Date
1 July – 30 September	28 October
1 October – 31 December	28 January
1 January – 31 March	28 April
1 April – 30 June	28 July

### Late payments

If you miss the SG deadline dates, you must pay the super guarantee charge (SGC), which is not tax deductible. Whilst BUSSQ accepts payments of SG outside the deadline dates, you may still be liable to pay the SGC to the Australian Taxation Office (ATO).

If you don't meet your obligations, you may be liable to pay the charge as well as any shortfall in contributions to the ATO. In addition, you may not be able to claim a tax deduction for the contributions you make. For more information on the SGC visit [ato.gov.au](https://ato.gov.au).

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### OTE Checklist: What's included?

Here is a list of payments to employees that are counted as ordinary time earnings (OTE), and which are counted as salary/wages for SG purposes.

Payment Type	Salary/Wages	OTE
<b>Overtime</b>		
Overtime hours over and above the ordinary hours stated in an award or agreement	Yes	No
Overtime where the ordinary hours of work are not stated in an award or agreement, or not separated from other hours	Yes – all hours worked.	Yes – all hours worked.
<b>Casual work, piece work and commissions</b>		
Casual employee shift loadings	Yes	Yes
Casual employee overtime payments	Yes	No
Piece-rates – no ordinary hours of work stated	Yes	Yes
Commission	Yes	Yes
<b>Allowances</b>		
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	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
<b>Expenses</b>		
Reimbursement of expenses, including travel costs	No	No
Payment for unfair dismissal	No	No
Workers' compensation – returned to work	Yes	Yes
Workers' compensation – not working	No	No
<b>Bonuses</b>		
Performance bonus	Yes	Yes
Christmas bonus	Yes	Yes
Bonus in respect of overtime only	Yes	No
<b>Leave</b>		
Annual leave - clearly linked to lost opportunity to work overtime	Yes	Yes
Annual leave loading – all other	Yes	No
Sick leave	Yes	Yes
Parental leave (e.g. maternity leave, paternity leave, adoption leave)	No	No
Ancillary leave (e.g. jury duty, defence reserve service)	No	No
Long service leave	Yes	Yes
<b>Termination payments</b>		
Termination payments – in lieu of notice	Yes	Yes
Termination payments – unused annual leave, long service leave or sick leave	Yes	No

Source: ATO website: 'List of payments that are ordinary time earnings'. For more information on ordinary time earnings visit ato.gov.au.

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### We're here to help!



Your friendly team of BUSSQ Relationship Managers are here to make your life easy. Call us today or email [super@bussq.com.au](mailto:super@bussq.com.au).



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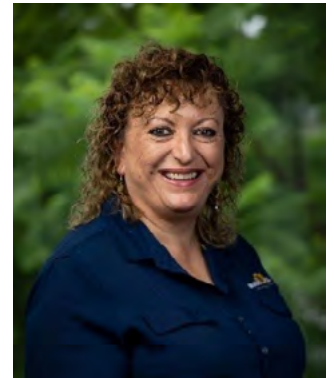
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