

Superannuation Guarantee: Your obligations as an employer

October 2015

At Sunsuper we're all about helping you meet your super obligations as easily as possible. That's why we've pulled together a list of the things that we think should be front of mind for you as an employer in regards to super including:

- default super funds,
- Modern Awards,
- MySuper,
- SuperStream,
- the *Standard Choice form*, and
- Superannuation guarantee (SG) payments.

Default super funds

Most employees can choose which fund they want their super paid to. If an employee is eligible to make a choice but doesn't, you must make the choice for them by submitting their contributions to your default super fund. Your default fund needs to be a complying fund that offers a minimum level of life insurance and must be MySuper authorised.

If you've chosen Sunsuper as your default fund you can rest assured that Sunsuper meets all of these requirements. In fact, Sunsuper was the first fund in Australia to be awarded a MySuper licence. You can find further details on default fund requirements at the [ATO's website](#).

Modern Awards

Modern Awards came into effect in January 2010. Superannuation is an important part of Modern Awards, and each award will usually list a number of MySuper funds which you can pay default super contributions to. Modern Awards only apply to employees covered by the national workplace relations system, and may not cover managers or higher-income earners. If your employees fall under a Modern Award, you can use Sunsuper as your default fund if:

- Sunsuper is listed as a default superannuation fund in the Modern Award that applies to you, or
- Sunsuper is not listed as a default superannuation fund in the Modern Award but you were contributing to us for the benefit of your employees before 12 September 2008.

MySuper

MySuper was introduced by the Federal Government as part of its Stronger Super reforms and was designed to give consumers access to a simple, low-fee super product that is easy to compare with other funds. From 1 January 2014, your default super contributions must be made to a MySuper authorised fund.

SuperStream

SuperStream refers to a suite of measures introduced by the Federal Government to help make the back office operation of super funds more efficient. A key element of SuperStream that will affect you as an employer is the requirement to send contributions electronically in a prescribed format, known as the Data and Payment Standard. These changes mean that for employers with 20 or more employees the period to transition to the Data and Payment Standard ends on 31 October 2015, and employers with fewer than 20 employees need to complete their transition by 1 July 2016. See sunsuper.com.au for more information about our SuperStream solution.

The *Standard Choice form*

As already mentioned, most employees have the option to choose the super fund they'd like their super payments made to. As an employer you need to provide what's called the *Standard Choice form* to most new employees.

As of 1 July 2015 you no longer need to provide the *Standard Choice form* to employees holding a temporary visa, although they remain eligible to choose their own super fund. See sunsuper.com.au/employers/pay-super-online for more information.

For employees that you do need to provide this form to, you need to do so within 28 days of their start date, or within 28 days of an existing employee requesting one.

Also, if you change your default fund, you need to give the *Standard Choice form* to your employees who are in the old default fund.

You must keep a record of providing the *Standard Choice form* within the required timeframe, as well as the completed *Standard Choice form* and any additional documentation given to you by the employee for a period of five years. Your employees can choose a fund by either completing Part A of the *Standard Choice form* or by providing you with the equivalent information in writing.

You can download the form from sunsuper.com.au/forms or the [ATO's website](#) (form number NAT 13080).

Making payments

If you have an eligible employee who has chosen a fund, you must make their Super Guarantee (SG) payment to that fund within two months of the choice being made. You are required to keep records that explain your super transactions, including documents that show how you calculated the amount of super you paid for each employee. These records need to be easily accessible and kept in English, or in a format easily converted.

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How much to pay

The amount of super you must pay employees is set out by law. From 1 July 2014, this is 9.5 per cent of each employee's Ordinary Time Earnings (OTE). OTE is generally what employees earn for their 'ordinary' hours of work, including over-award payments, commissions, certain allowances, and paid leave, but not including overtime in most cases.

The SG rate is set to increase to 12 per cent by 1 July 2025. The below table outlines the schedule for increasing rate:

Date	SG rate
1 July 2016	9.5 per cent
1 July 2017	
1 July 2018	
1 July 2019	
1 July 2020	
1 July 2021	10 per cent
1 July 2022	10.5 per cent
1 July 2023	11 per cent
1 July 2024	11.5 per cent
1 July 2025	12 per cent

When to pay

Employers are required to make SG payments on behalf of their employees by certain dates throughout the year. Failing to pay the SG contribution by the deadline may result in you having to pay an SG charge, which is not tax deductible and will mean an added expense to your business.

SG payment due dates

SG quarter	Due date for SG payment
1 July - 30 September	28 October
1 October - 31 December	28 January
1 January - 31 March	28 April
1 April - 30 June	28 July

If you've missed an SG due date you can still make your contribution directly to Sunsuper provided you complete and return an SG charge statement to the ATO. You will need to elect to use the SG contribution made as a late payment offset.

How Sunsuper can help

No matter the size of your business we have a super solution to help make meeting your super obligations easy. Our secure employer payment portal *Employer Online* and Sunsuper clearing house facilities can help you make your super payments quickly online.

Our employer newsletter, *E-news*, will keep you up-to-date with all things super related and our dedicated employer services team are on hand to answer any questions you might have.

Call us on **13 11 84** or visit [sunsuper.com.au/employers/why-sunsuper](https://www.sunsuper.com.au/employers/why-sunsuper) to find out more.

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