

## REPORTABLE EMPLOYER SUPER CONTRIBUTIONS

### YOUR EMPLOYER OBLIGATIONS TO REPORT SUPERANNUATION PAYMENTS

At the close of each financial year, employers are required to issue staff with their PAYG Payment Summaries. These summaries can be prepared with in-house desktop or cloud-based accounting software, or manually using the Australian Tax Office's NAT 0046 form.

Employers must record **Reportable Employer Superannuation Contributions**, where applicable, for each employee.

Reportable Employer Superannuation Contributions are contributions made for an employee where the following apply:

- the employee influenced the rate or amount of super contributed for them;
- the contributions are additional to any compulsory contributions an employer is required to make under the following:
  - Superannuation Guarantee Law (ie. compulsory 9.50%);
  - Industrial agreements;
  - Trust deed or governing rules of a superannuation fund;
  - Federal, State or Territory law.

Generally this means Reportable Employer Superannuation Contributions will include:

- amounts of superannuation contributed for employees as part of a salary sacrifice agreement;
- bonuses paid as a superannuation contribution for an employee;
- any other situation where the amount contributed to superannuation would have otherwise been income to the employee.

Amounts paid to employees' superannuation accounts for the following are not deemed to be Reportable Employer Superannuation Contributions and should not be entered on the PAYG Payment Summary:

- Compulsory Superannuation Guarantee (SG) contributions of 9.50%;
- superannuation contributions made under collectively negotiated industrial agreements;
- superannuation paid under Federal, State or Territory law;
- additional superannuation contributions withheld from an employee's after-tax income as a deduction from their take home pay, as instructed by the employee;
- amounts in excess of the compulsory superannuation amount paid to all employees for ease of administration purposes only.

### SUPERANNUATION GUARANTEE CONTRIBUTIONS

In May 2010, the then Federal Government announced that compulsory employer super contributions would progressively increase from 9.00% of salary to 12.00% by July 2019 (an overall increase of 33% in Superannuation Guarantee contributions).

The rate of increase has since been revised and the SG rate will remain at 9.50% until 30 June 2021. From then, it will increase at the start of each financial year by increments of 0.50% until 1 July 2025 when it reaches 12.00%.

*(Subject to any change in legislation)*

2017/07

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Learn more at [www.peakpartnership.com.au](http://www.peakpartnership.com.au)



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CHARTERED ACCOUNTANTS

## REPORTABLE EMPLOYER SUPER CONTRIBUTIONS

Reportable Employer Superannuation Contributions do not form part of an employee's assessable income and is not taxed. However, these contributions do form part of an employee's adjusted income, which is used to determine eligibility for the following:

- certain Centrelink, Family Assistance Office and Veteran Affairs entitlements;
- Senior and Pensioners tax offset;
- Superannuation Spouse Contribution tax offset;
- Medicare Levy Surcharge exemption and threshold calculation;
- Superannuation Co-contribution;
- eligibility for deducting personal super contributions where salary and wages represent less than 10% of an individual's taxable income;
- Higher Education Loan Program (HELP) and Student Financial Supplement Scheme repayments;
- deducting non-commercial business losses;
- income tax concessions available to participants in certain employee share schemes.

Employees who currently access any of the above benefits will need to assess the impact of any Reportable Employer Superannuation Contributions they receive. Individual employee circumstances should be reviewed to determine if a payment is a Reportable Employer Superannuation Contribution.

If you have any questions about Employer Superannuation Contributions, please contact us at The Peak Partnership on 07 3360 9888 or email us at [email@peakpartnership.com.au](mailto:email@peakpartnership.com.au) for assistance. We're happy to help.

### EXAMPLES OF REPORTABLE SUPERANNUATION CONTRIBUTIONS

TYPE OF SUPERANNUATION CONTRIBUTION	REPORTABLE AMOUNT
Superannuation Guarantee Contribution for an employee earning >\$450 per month	NIL
9.50% Super Contribution for an employee earning <\$450 per month	NIL
Salary Sacrificed Superannuation per agreement with employee	100%
Industry Award Superannuation of 11%	NIL
Employment contract for all employees stating that superannuation will be contributed at 10%	NIL
Employee requests annual bonus be contributed to superannuation	100%
Manager has requested that the company pay him/her 11.50% superannuation as part of his/her employment contract	The additional 1.50% above the 9.50% SGC
Employee has requested company to withhold \$50 of his/her monthly pay and contribute this to superannuation on his/her behalf as a personal contribution to superannuation	NIL

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