Australian Government
Australian Taxation Office

Super guarantee employer obligations

Fast facts

Overview of superannuation

- Superannuation (super) is money set aside, generally over a long period of time, to provide for retirement. Super savings may be supplemented by the government age pension. Depending on the amount of super and other assets a person holds, it may replace the age pension altogether.
- Employers must pay the super guarantee charge (SGC) if they do not provide the minimum super guarantee for their eligible employees.
- The minimum super guarantee contribution is an amount calculated by multiplying the employee's ordinary time earnings by the current super guarantee rate.
- The super guarantee contribution must be paid at least 4 times per year by the relevant quarterly due dates.

Working out if you have to pay super

When working out if you have to pay super for your employees:

- identify employees who are eligible for the super guarantee - you can use the Superannuation guarantee eligibility decision tool to assist
- from 1 July 2022, for employees under 18 years old, you must pay super guarantee if they work for you for more than 30 hours in a week

- you need to pay super guarantee for some independent contractors - if you pay an independent contractor under a contract which is wholly or principally for their labour, you will need to pay them super. This is the case even if they quote an ABN.
- you generally need to pay super guarantee if your employee is a private or domestic worker and works for more than 30 hours per week regardless of how much you pay them.

Setting up super for your employees

When setting up super for your eligible employees:

- inform employees of your default fund
- offer eligible employees a choice of super fund
- request details of an employee's stapled super fund, if they started working for you on or after 1 November 2021 and do not make a choice of super fund provide their TFN to their super funds
- keep super guarantee employer records for five years.

Calculating super guarantee

When calculating super guarantee:

- super guarantee equals ordinary time earnings multiplied by the current super guarantee rate
- use the salary or wages and ordinary time earnings list to help you identify which payments count as ordinary time earnings or salary or wages for super guarantee purposes
- use the Superannuation guarantee contributions calculator to work out how much super to contribute for your eligible employees.

Paying super contributions

When paying super contributions:

- pay at least four times a year by the relevant quarterly due dates
  - 28 October
  - 28 January
  - 28 April
  - 28 July.
- you need to pay and report electronically to be SuperStream compliant
- pick the SuperStream method of payment that best suits your business
- if you employ 19 or fewer employees or have an aggregated annual turnover of less than $10 million, you can use the free clearing house.

Rectifying late payments

When rectifying late payments:

- lodge your Super guarantee charge statement and pay the super guarantee charge to the ATO by the due date
- calculate the super guarantee shortfall using salary or wages
- calculate the nominal interest from the first day of the quarter
- an administration fee of $20 per employee, per quarter applies
- complete the super guarantee charge form correctly
- contact the ATO if you need to arrange a payment plan.

Reducing the risks of penalties

Remember, to reduce the risk of penalties:

- pay the correct amount of super guarantee, on time and to the right fund
- engage with the ATO and communicate early in the process
- be aware of circumstances that give rise to penalties
- be aware of the different types of penalties

- understand your rights to amendments, appeals, objections and review processes.

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