



Superannuation

*For Small Business
Owners*



What is Super?

➔ **Superannuation** or "**Super**" is Australia's mandatory retirement savings system designed to ensure financial security in retirement. Employers must contribute a portion of employees' wages to a super fund, which is then professionally invested to grow savings over time. Super offers benefits like tax concessions, investment growth, and a retirement income stream, while also providing support in cases of illness or injury.

For employees, it builds a financial safety net, and for employers, it's a legal obligation to support their staff's financial future. Super is a vital component of Australia's retirement system, promoting long-term financial stability for all.



DID YOU KNOW?

The Australian Government has put forward a new proposal that could soon require businesses to pay their employees' superannuation contributions on every payday instead of the current quarterly system.



What do you need to know?

1

- ➔ **As a business owner**, it's your responsibility to pay superannuation for eligible employees. This involves contributing a minimum percentage of their earnings into a superannuation fund on their behalf.

2

- ➔ **Superannuation obligations apply to all employees**, including family members working in your business and company directors. For employees under 18 or domestic workers, you're required to pay superannuation if they work more than 30 hours per week.



3

→ **Sole trader superannuation**, If you're a sole trader or in a partnership, you're not required to pay superannuation for yourself. However, it's a smart move to contribute to your super for the sake of your financial future. Not sure how it works or what your options are? Get in touch with us—we're here to help you manage your business cash flow and plan ahead!

4

→ **NDIS obligations**, If you're managing your own NDIS plan and using the funds to hire a carer or domestic worker, it's important to know that you're responsible for paying superannuation on their total earnings.

5

→ **The contribution rate is set to increase**, the contribution rate is set at 11.5% from July 2024. This rate is set to rise, reaching 12% by July 2025.

6

➔ **There is no minimum on eligible earnings**, Starting from July 2024, the superannuation rate increased to 11.5% of an employee's total earnings. Prior to this change, employers were not required to pay superannuation for employees earning less than \$450 per month.

7

➔ **You must pay contributions on time**, It's essential to pay your contributions on time to avoid penalties and interest charges. Superannuation contributions are due quarterly, and missing these deadlines can lead to hefty penalties that could impact your business.



8



You are responsible for selecting a default fund, As a business owner, it's your responsibility to select a default superannuation fund for any employees who don't nominate their own. You're also required to provide them with details about their superannuation options, giving them the freedom to choose their preferred fund if they wish.

9



You must keep accurate records, Keep accurate records of superannuation contributions, report them correctly to the ATO, and include contribution details on employee payslips.

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You may be personally liable for unpaid superannuation, Directors are personally responsible for unpaid superannuation contributions.



As a business owner, ensure you meet your superannuation obligations by paying on time, keeping accurate records, and seeking professional advice if needed.



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