



Super for employers

- <https://www.ato.gov.au/Business/Super-for-employers/>
- Last modified: 08 Oct 2018
- QC 33737

Super is money you pay for your workers to provide for their retirement.

Generally, if you pay an employee \$450 or more before tax in a calendar month, you have to pay super on top of their wages.

The minimum you must pay is called the super guarantee (SG):

- the SG is currently 9.5% of an employee's ordinary time earnings
- you must pay the SG at least four times a year, by the quarterly due dates
- you must pay and report super electronically in a standard format, ensuring you meet SuperStream requirements
- your super payments must go to a complying super fund – most employees can choose their own fund
- if you don't pay the SG on time, you may have to pay the super guarantee charge.

Watch:

Media: Super obligations for employers

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubir38mw>^[2] (Duration: 01:32)

Next steps:

- [Working out if you have to pay super](#)
- [Setting up super](#)
- [How much to pay](#)
- [Paying super contributions](#)
- [Run a quick check of your super obligations](#)

See also:

- [SuperStream for employers](#)
- [Small Business Superannuation Clearing House](#)
- [Ordinary time earnings](#)
- [Super guarantee charge](#)

- [Proposed Superannuation Guarantee Amnesty](#)

Working out if you have to pay super

- <https://www.ato.gov.au/Business/Super-for-employers/Working-out-if-you-have-to-pay-super/>
- Last modified: 07 Oct 2019
- QC 33749

Generally, if you pay an employee \$450 or more (before tax) in a calendar month, you have to pay them super guarantee (SG) on top of their wages.

If your employee is under 18 or is a [private or domestic worker](#), such as a nanny, they must also work for more than 30 hours per week to qualify. For example, you will have to pay them super on top of their wages for each week that the employee has worked more than 30 hours.

You have to pay super for some [contractors](#), even if they quote an Australian business number (ABN).

You pay super regardless of whether the employee:

- is full-time, part-time or casual
- receives a super pension or annuity while still working – including those who qualify for the transition-to-retirement measure
- is a temporary resident, such as a backpacker or a working holiday maker – when they leave Australia, they can claim their super through the *Departing Australia superannuation payment* (DASP) program
- is a company director
- is a family member working in your business – provided they are eligible for SG.

Domestic workers

If you engage someone to do work of a domestic or private nature for 30 hours or more per week and pay them \$450 or more (before tax) in a calendar month, you have to pay super for them.

'Domestic or private' means work relating personally to you (not to a business of yours), or work relating to your home, household affairs or family – such as a nanny, housekeeper or carer.

If you use funds from the National Disability Insurance Scheme (NDIS) to engage a carer or other domestic help, you may have to pay super for them. This only affects people who choose to manage their NDIS plan themselves.

When you don't have to pay super

You don't have to pay super guarantee (SG) for:

- non-resident employees you pay for work they do outside Australia
- some foreign executives who hold certain visas or entry permits (phone us on 13 10 20 for information)
- members of the army, naval or air force reserve for work carried out in that role
- employees who opt out of receiving super if you're covered by an *SG employer shortfall exemption certificate* in relation to the employee for the quarter
- employees temporarily working in Australia who are covered by a bilateral super agreement – you must keep a copy of the employee's certificate of coverage to verify the exemption.

If you're a non-resident employer, you don't have to pay super for resident employees for work they do outside Australia.

See also:

- [Employees working overseas](#)
- [Working holiday makers](#)
- [Departing Australia superannuation payment \(DASP\)](#)
- [Contractors](#)
- [The self-employed](#)
- [Superannuation guarantee eligibility decision tool](#)
- [Super guarantee employer obligations course](#)
- [Super guarantee opt out for high income earners with multiple employers](#)

Employees working overseas

- <https://www.ato.gov.au/Business/Super-for-employers/Working-out-if-you-have-to-pay-super/Employees-working-overseas/>
- Last modified: 01 Jun 2015
- QC 33735

If you send an Australian employee to work temporarily in another country, you must continue to pay super contributions in Australia for them.

The other country may require you or your employee to pay super (or equivalent) there as well. But Australia has bilateral agreements with some countries so that you don't have to pay it there – provided you continue to pay compulsory super contributions for the employee in Australia.

To gain exemption from the super payment in the other country, you need to show the authorities in the other country a certificate of coverage, which you get from us.

[Apply online](#) for a certificate of coverage, or phone 13 10 20.

Example: Australian employee working in the US

Jack is an Australian resident working in Australia for an Australian employer. His employer sends him to work in the United States for one year. Under US law, Jack and his employer must pay compulsory social security (covering super) contributions. In addition, Jack's employer must still pay SG for Jack in Australia.

The agreement between Australia and the US means Jack and his employer don't need to pay contributions under US law. Jack's employer must request a certificate of coverage from us to ensure the US exemption applies. Jack's employer will continue to make super contributions for Jack in Australia.

Similarly, a US employee sent to work temporarily in Australia would not have to pay super under Australia's SG laws, as they and their employer would pay contributions solely under the US system.

See also:

- [Super for employees working overseas - certificate of coverage](#). This includes a list of countries Australia has agreements with.

Contractors

- <https://www.ato.gov.au/Business/Super-for-employers/Working-out-if-you-have-to-pay-super/Contractors/>
- Last modified: 27 Jul 2016
- QC 33854

Contractors paid mainly for their labour are employees for superannuation guarantee purposes. This is the case even if the contractor quotes an Australian Business Number (ABN).

You must make super contributions for these individuals if you pay them:

- under a verbal or written contract that is wholly or principally for their labour – that is, more than half the dollar value of the contract is for their labour
- for their personal labour and skills – which may include physical labour, mental effort or artistic effort – and not to achieve a result
- to perform the contract work personally – that is, they must not delegate.

If you make a contract with someone other than the person who'll actually provide the labour – for example, with a company, trust or a partnership – you don't pay that person super.

You can:

- use the [employee/contractor decision tool](#) to work out if a contractor is an employee for super purposes
- use the [superannuation guarantee eligibility decision tool](#) to work out if they're entitled to super guarantee contributions.

Example: Contractor, not employee

Harry's Hobby Shop wants to paint their new shop and they contract Pete's Paints for the job. The entire job is completed by one painter from Pete's Paints but that does not make the painter an employee of Harry's Hobby Shop; the contract is between Harry's Hobby Shop and Pete's Paints.

Harry's Hobby Shop paid Pete's Paints to achieve a result. Pete's Paints may have SG obligations for the painter.

Example: Employee, not contractor

David's Caravan Park has a contract with Amanda, a freelance administrative assistant, to answer phones and do administrative work for 15 hours per week. The contract specifies that Amanda herself must perform the work. Amanda has an ABN and invoices David weekly for the hours she works. Amanda is considered David's employee for SG purposes because:

- Their contract is wholly for the labour and skills Amanda provides.
- She performs the work personally
- She is paid according to the number of hours worked.

How much super to pay for contractors

The minimum super amount you have to pay is 9.5% of each [worker's ordinary time earnings \(OTE\)](#).

When you pay super for a contractor employee, you must calculate the minimum super amount on the labour component of the contract.

If the values of the various parts of the contract aren't detailed in the contract, we'll accept their market values and take normal industry practices into consideration. If you can't work out the labour portion of the contract, you can use a reasonable market value of the labour component.

Paying an additional 9.5% wages on top of your contractor's usual pay does not count as a super contribution. To meet your super obligations for your contractor employees, you must pay at least the minimum super guarantee contribution (9.5%) to their super fund account each quarter.

See also:

- [Super for contractors](#)
- Our [SG ruling](#) on who is an employee

The self-employed

- <https://www.ato.gov.au/Business/Super-for-employers/Working-out-if-you-have-to-pay-super/The-self-employed/>
- Last modified: 19 Jul 2017
- QC 33761

If you're a sole trader or in a partnership, you generally don't have to make super guarantee (SG) payments for yourself.

But you may want to make personal contributions to super as a way of saving for your retirement.

From 1 July 2017, regardless of whether you're self-employed or not, most people will be able to claim a full deduction for contributions they make to their super until they turn 75 years old. Those aged 65 to 74 will still need to meet the [work test](#) in order to be eligible to make a contribution and claim a tax deduction. Keep in mind that contributions you make may attract extra tax if they exceed the contributions limit for that year.

You may also be eligible for the super co-contribution payment. This helps eligible low-to-middle income earners save for their retirement. If you're eligible and you make personal super contributions, the government will match your contribution up to certain limits, unless you have claimed your contribution as a tax deduction.

Make sure your super fund has your tax file number (TFN). If it doesn't:

- your super contributions will be taxed an additional 34%
- your fund won't be able to accept personal contributions from you, which means you may miss out on any super co-contribution you're eligible for
- it will be harder to keep track of your super.

See also:

- [Claiming deductions for personal super contributions](#)
- [Super co-contribution](#)

Super guarantee employer obligations course

- <https://www.ato.gov.au/Business/Super-for-employers/Working-out-if-you-have-to-pay-super/Super-guarantee-employer-obligations-course/>
- Last modified: 09 Apr 2019
- QC 58507

Our super guarantee employer obligations online course is designed to help employers understand their obligations to pay super for eligible employees.

The course is free. It is available on our website and takes around 2 hours to complete.

Completing the course will result in the following learning outcomes. You will understand:

- the importance of paying super guarantee
- the circumstances in which it is payable
- the steps to setting up super for your employees
- how to calculate super guarantee
- how to lodge and pay super guarantee
- what to do when a super guarantee payment is late or missing
- your record-keeping requirements.

The course is voluntary unless you've been directed by the Commissioner to undertake it. You will receive formal notification if you are directed to complete the course.

There is an assessment associated with this course. On successful completion of the assessment (a score of 80% or more), you will receive a *Certificate of completion* to keep for your records.

You do not need to register for this course.

Next step:

- [Super guarantee employer obligations – online course](#)

See also:

- [Approval of education courses](#) – the ATO may approve super guarantee education courses developed by external providers, where the course meets specific criteria.

Setting up super

- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super/>
- Last modified: 03 Dec 2016
- QC 33755

Employees who are eligible for super, may also be able to choose the fund you pay into.

If they aren't eligible to choose or don't make a choice, you must pay their contributions into your employer-nominated or default fund.

Next steps:

- [Determine your employer-nominated fund \(default fund\)](#)
- [Offer your employees a choice of fund](#)
- [Provide employees' TFNs to their funds](#)
- [Keep records](#)

When choosing how to pay super, you'll need to ensure your solution meets the [SuperStream](#) requirements to pay and report super electronically.

See also:

- [Giving your employees information and advice](#)
- [Salary-sacrificing super](#)

Determine your employer-nominated fund (default fund)

- [https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super/Determine-your-employer-nominated-fund-\(default-fund\)/](https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super/Determine-your-employer-nominated-fund-(default-fund)/)
- Last modified: 24 Mar 2020
- QC 33736

Before you offer your employee the option to choose a super fund, you must nominate a fund that you will pay their super into if they can't or don't choose their own fund.

This fund is your employer-nominated fund (also known as a default fund).

The super fund you nominate must:

- be a [complying fund](#) (one that meets specific requirements and obligations under super law)
- be registered by the Australian Prudential Regulation Authority (APRA) to offer a MySuper product.

To make sure your fund meets these requirements, check with the trustee or an

authorised representative of the fund, or check on our register of complying super funds at [Superfund Lookup](#)[☞].

You should contact the fund you have chosen before offering it as a default fund on the standard choice form.

You give your employee the details of this fund in section B of the *Standard choice form*.

On this page:

- [MySuper products](#)
- [Participating employer](#)
- [Incentives](#)

MySuper products

MySuper products are superannuation products that have a simple set of product features, irrespective of who provides them. This enables comparison of funds based on a few key differences.

Contact your fund to make sure that your default fund is a MySuper product.

See also:

- [Authorised MySuper products](#)[☞]

Participating employer

Some super funds may ask that you become a 'participating employer' before you can pay contributions to them. If you agree, you may have to make super payments more regularly – such as monthly, instead of quarterly.

If you don't want to become a participating employer, talk with your nominated fund (or with the fund your employee chooses instead) to find out how best to make super contributions for your employee.

Incentives

It is illegal for a super fund to give you benefits as an incentive to use their fund as your nominated fund. Incentives could take any form, and include corporate hospitality, holidays, or discounted rates on products or services.

If you think you've been offered unlawful incentives by a super fund you can [report it to ASIC](#)[☞].

It's not illegal for a super fund to give benefits to your employees – such as financial literacy seminars or preferential death benefits, as an incentive for them to choose their fund.

Next step:

- [Offer your employees a choice of fund](#)

Provide employees' TFNs to their funds

- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super/Provide-employees--TFNs-to-their-funds/>
- Last modified: 01 Jun 2015
- QC 33742

If your employee gives you their tax file number (TFN), you must give it to their chosen super fund the next time you make a payment for them to that fund.

If you receive the TFN less than 14 days before you are due to make a payment, you have 14 days to give the TFN to the fund.

There are [penalties](#) if you don't pass an employee's TFN to their fund. It's also your responsibility to ensure that third parties you engage pass TFNs on to super funds.

Third party contracts

If you use a third party to manage your payroll or a clearing house to distribute super contributions to your employees' funds, you should make sure your contracts with them allow them to pass TFNs to funds or RSAs on your behalf, and that they do so.

If they don't pass on the TFNs, you are liable for the penalties, not the payroll service provider or clearing house.

Employee's personal super contributions

Super funds can't accept personal contributions from employees if they don't have the employee's TFN. If you have an employee who wants to make personal super payments as a payroll deduction, check you have given their TFN to their super fund.

Aged TFN declarations

If a current employee has not given you a TFN declaration since 1 July 2007 (or earlier), they can complete an [Authority to provide your tax file number to your super fund](#) authorising you to pass their TFN to their super fund.

Next step:

- [Keep records](#)

Keep records

- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super/Keep-records/>
- Last modified: 01 Jun 2015
- QC 33741

You must keep records that show:

- how much super guarantee (SG) you paid for each employee and how it was calculated
- that you have offered each eligible employee a choice of super fund.

You can use whatever method suits you best to keep these records, but:

- Your records must be written in English (or in a format that can be easily accessed and converted into written English).
- You must keep the records for five years.
- If you keep electronic records, software must be available to access older floppy disks, CDs and computer records.

Even if you use a clearing house to distribute super to your employees' funds, you're still responsible for keeping adequate records of super guarantee payments.

Choice-of-fund records

Keep these records:

- Evidence that you've given the *Standard choice form* to all eligible employees – for example, emails if you issued the form that way – and the written information your employee provided when they nominated their chosen fund.
- Details of employees you don't have to offer a choice of super fund to.
- Confirmation that your nominated (default) fund offers a MySuper product.
- Receipts or other documents issued by the fund showing you've made super contributions for that employee.

Giving your employees information and advice

- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super/Giving-your-employees-information-and-advice/>
- Last modified: 01 Jun 2015
- QC 33740

You can give your employees factual information about:

- what choosing a super fund is about
- the process of choosing a super fund
- your obligations
- what they can do to nominate a super fund as their chosen fund.

But unless you're licensed by the Australian Securities & Investments Commission (ASIC) to provide financial advice, you must not make comments, recommendations or give advice to employees about:

- the super fund they should choose
- the level of their super contributions
- whether they should consolidate their super.

You can suggest your employees contact ASIC directly to find out more about comparing and choosing super funds:

- visit the ASIC website moneysmart.gov.au [↗]
- phone ASIC on 1300 300 630.

Salary-sacrificing super

- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super/Salary-sacrificing-super/>
- Last modified: 27 Feb 2020
- QC 33744

With your agreement, an employee can 'sacrifice' part of their salary or wages into a variety of benefits, including super.

If an employee salary-sacrifices into super, you make super contributions to the fund on your employee's behalf. There may be benefits to both of you, but the arrangement must comply with the rules for salary sacrificing.

On this page

- [Employee's benefits](#)
- [Your benefits](#)
- [Reporting salary-sacrificed amounts](#)

Employee's benefits

- The employee's assessable income is reduced by the amount sacrificed – that is, the amount sacrificed is not subject to PAYG tax and is not declared as income by the employee.
- The contributions are taxed in the super fund at the concessional rate of 15%, which is usually less than the employee would pay if they took the money as

salary.

But there are limits to how much super can be contributed in a year – any contribution over the relevant cap amount is subject to extra tax.

Your benefits

- Salary sacrifice super contributions are not fringe benefits (and therefore are not subject to fringe benefits tax).
- The contributions are tax deductible.

To get these benefits, the contributions must be made under an 'effective salary sacrifice arrangement' to a complying super fund.

Note: From 1 January 2020, you will be required to pay super guarantee on your employee's ordinary time earnings (OTE) base, which is the sum of your employee's OTE and any amounts which would have been OTE, had they not been sacrificed into a complying super fund or RSA. You cannot use the reduced salary. You will also not be allowed to count any amount salary sacrificed to super by your employees towards your SG payment obligations.

Reporting salary-sacrificed amounts

If you make super contributions under a salary-sacrifice arrangement or make extra super contributions to a super fund for an employee, you may need to report those contributions on your employee's payment summary.

See also:

- [Salary sacrificing super – information for employers](#)

Next step:

- [Keep records](#)

Offer your employees a choice of fund

- <https://www.ato.gov.au/Business/Super-for-employers/Setting-up-super/Offer-your-employees-a-choice-of-fund/>
- Last modified: 28 Aug 2019
- QC 33746

Many employees are entitled to choose the fund employers pay their super contributions into. As their employer, you need to identify these employees and provide them with a *Standard choice form* so they can advise you of their chosen fund. You also need to nominate the default fund that you will pay their contributions into if they don't choose a fund.

You need to:

- [Step 1: Identify employees who are eligible to choose](#)
- [Step 2: Provide a standard choice form](#)
- [Step 3: Pay into your employer default fund until the choice form is returned](#)
- [Step 4: Act on your employee's choice](#)

Step 1: Identify employees who are eligible to choose

When you employ new staff, check if they're eligible to choose a super fund.

Your new employee is eligible to choose their super fund if they are:

- employed under a federal award
- employed under a former state award, now known as a notional agreement preserving state award (NAPSA)
- employed under an award or industrial agreement that does not require super contributions
- not employed under any state award or industrial agreement (including contractors who are regarded as eligible employees for super purposes).

If you're not sure what, if any, award or industrial agreement covers your employee:

- visit the Fair Work website at fairwork.gov.au[↗]
- phone the workplace relations department in your state or territory
- check with your employer association.

As of 1 July 2015, you don't need to offer a choice of fund to employees:

- whose superannuation fund undergoes a merger or acquisition
- on a temporary working visa.

However, your employee retains the right to request a standard choice form from you.

Step 2: Provide a standard choice form

You must provide employees who are eligible to choose a super fund with a [Standard choice form](#) (or equivalent) within 28 days of their start date, unless they give you details of their chosen fund first.

You don't have to use the *Standard choice form*, but any alternative document must cover all the information that the *Standard choice form* covers.

Pre-filled *Standard choice forms* can now be completed by employees through [ATO online services](#) linked to [myGov](#)[↗]. You'll need to give your employee the following information:

- your employer Australian business number (ABN)
- their employment type (for example, full time, part-time, casual)
- your default super fund details
 - name

- unique superannuation identifier (USI)
- ABN.

Existing eligible employees are entitled to change their choice of fund as often as they want to, but you only have to accept a new choice from them once in any 12-month period. If your employee asks for a choice form you have 28 days to provide it.

You need to keep a copy of the completed *Standard choice form* or ATO online printed summary for your own records for five years. You don't have to send a copy to us or to your employee's chosen super fund.

You also have to give an employee a *Standard choice form* within 28 days if you:

- can't contribute to their chosen fund or it's no longer a complying fund
- change your employer-nominated fund and you're paying the employee's contributions into that fund.

Step 3: Pay into your employer default fund until the choice form is returned

If your employees don't choose a fund or haven't provided the necessary information, and a super contribution is due, you must make the payment for them into your employer-nominated fund by the due date.

Step 4: Act on your employee's choice

Once an employee advises you of their choice of super fund, you have two months to start paying contributions into that fund.

You may be penalised if you don't offer your eligible employees a choice of fund or you don't pay their super to their chosen fund.

Next step:

- [Provide employees' TFNs to their funds](#)

How much to pay

- <https://www.ato.gov.au/Business/Super-for-employers/How-much-to-pay/>
- Last modified: 06 Dec 2019
- QC 33745

The minimum super you must pay each quarter for each eligible employee is called the super guarantee (SG).

Currently the SG is 9.5% of their ordinary time earnings (OTE).

OTE is usually the amount your employee earns for their ordinary hours of work. It includes things like commissions, shift loadings and allowances, but not overtime payments.

To work out what you must pay, multiply your employee's OTE for the quarter by the SG rate (or the percentage you use if you're paying super at a higher rate).

Example: Danni

During the first quarter of the 2014–15 financial year (1 July – 30 September 2014) Danni's ordinary time earnings were \$8,000.

The super contribution Danni's employer had to pay for Danni for this quarter was:

$$\$8,000 \times 9.50\% = \$760$$

To avoid the super guarantee charge, Danni's employer must have contributed at least \$760 to a complying super fund or RSA for Danni by 28 October 2014.

For employees who started in the quarter, their earnings are calculated from the day they started.

If you make super contributions under an award, check that they are enough to satisfy both the award and the SG.

You can use our [Superannuation guarantee \(SG\) contributions calculator](#) to work out how much super you must contribute for your eligible workers.

On this page:

- [Ordinary hours](#)
- [Ordinary time earnings \(OTE\)](#)
- [Overtime payments](#)
- [Maximum contribution base](#)
- [Back pay](#)

See also:

- [Contractors – how much to pay](#)
- [Checklist: Salary or wages and ordinary time earnings](#)
- [Fact sheet - Exercising the Commissioner's discretion to disregard or reallocate remedial super guarantee contributions](#)

Ordinary hours

Your employee's ordinary hours will be the normal hours they work, unless their hours are specified in an award or agreement.

If you can't determine the normal hours of work (such as for casual workers), the actual hours the employee works will be their ordinary hours of work.

The Fair Work Act's definition of ordinary hours for workers not under an award or agreement caps them at 38 hours. This definition does not override the super laws above.

Ordinary time earnings (OTE)

Ordinary time earnings are generally what your employees earn for their ordinary hours of work, including:

- over-award payments
- commissions
- shift loading
- annual leave loading
- allowances
- bonuses

Our [checklist](#) shows various types of payments employees may receive, and whether those payments are OTE.

See also:

- [Superannuation guarantee: meaning of the terms 'ordinary time earnings' and 'salary or wages'](#)
- [Ordinary time earnings - annual leave loading](#)

Overtime payments

Payments for work performed outside an employee's ordinary hours of work are not OTE. This applies even if:

- the payments are calculated at an hourly rate
- the employee gets a specific loading
- the payments are calculated as an annualised or lump sum component of a total salary package.

But if you can't distinctly identify overtime amounts, the hours actually worked will be included in ordinary hours of work.

Maximum contribution base

You don't have to pay SG for your employee's earnings above a certain limit, called the maximum contribution base. This base is indexed annually and is generally available before the start of each financial year. It does not apply to other mandated contributions, such as contributions you pay under an award.

While the base limits the amount that you have to pay for SG purposes, funds can

accept contributions above it. Your employees should be aware that SG contributions count towards their concessional contributions cap in the year the fund receives the contribution.

See also:

- [Maximum contribution base table](#)
- [Super contributions – too much super can mean extra tax](#)

Back pay

You must pay super on back pay (of salary or wages), even if the employee no longer works for you. If you don't, you'll be liable for the super guarantee charge.

Example: Sue

On 30 June 2014, Sue finished her employment with company ZYX. In September 2014, the company gave Sue back-pay of 2% for the period from 1 January 2014 to 30 June 2014.

The company must pay a super contribution for the back-pay and they must do this by the quarterly due date of 28 October 2014.

The company will need to calculate Sue's super contribution at 9.5%. The payment should generally be made to the fund the company paid Sue's last super contribution into.

If the company doesn't pay the super on time to a complying fund or retirement savings account, they will have to lodge a superannuation guarantee charge statement and pay the charge to us.

See also:

- [Contractors: how much to pay](#)
- [Checklist: Salary or wages and ordinary time earnings](#)

Checklist: Salary or wages and ordinary time earnings

- <https://www.ato.gov.au/Business/Super-for-employers/How-much-to-pay/Checklist--salary-or-wages-and-ordinary-time-earnings/>
- Last modified: 01 Mar 2018

- QC 33860

The tables in this checklist will help you identify what payments are considered salary or wages and whether they are considered part of ordinary time earnings (OTE) for super guarantee purposes. The list is not exhaustive and is for general guidance only. The payment-type tables are:

- [Awards and agreements](#)
- [Allowances](#)
- [Expenses](#)
- [Leave](#)
- [Termination payments](#)
- [Bonuses](#)

See also:

If you have questions on how your super applies on your employee's salary or wages, ask our [Community](#)[↗] for help.

Awards and agreements

Payment	Salary or wages	Ordinary time earnings (OTE)
Overtime hours – award stipulates ordinary hours to be worked and employee works additional hours for which they are paid overtime rates	Yes	No
Overtime hours – agreement prevails over award	Yes	No
Agreement supplanting award removes distinction between ordinary hours and other hours	Yes – all hours worked	Yes – all hours worked
No ordinary hours of work stipulated	Yes – all hours worked	Yes – all hours worked
Casual employee: shift loadings	Yes	Yes
Casual employee: overtime payments	Yes	No
Casual employee whose hours are paid at overtime rates due to a 'bandwidth' clause	Yes	No
Piece-rates – no ordinary hours of work stipulated	Yes	Yes

Overtime component of earnings based on hourly-driving-rate method stipulated in award	Yes	No
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Allowances

Payment	Salary or wages	Ordinary time earnings (OTE)
Allowance by way of unconditional extra payment	Yes	Yes
Expense allowance expected to be fully expended	No	No
Danger allowance	Yes	Yes
Retention allowance	Yes	Yes
Hourly on-call allowance in relation to ordinary hours of work for doctors	Yes	Yes

Expenses

Payment	Salary or wages	Ordinary time earnings (OTE)
Reimbursement	No	No
Petty cash	No	No
Reimbursement of travel costs	No	No
Payments for unfair dismissal	No	No
Workers' compensation: returned to work	Yes	Yes
Workers' compensation: not working	No	No

Leave

	Salary	
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Payment	or wages	Ordinary time earnings (OTE)
Annual leave	Yes	Yes
Annual leave loading - demonstrably referable to a loss of opportunity to work overtime	Yes	No
Annual leave loading - all other	Yes	Yes
Sick leave	Yes	Yes
Parental leave – eg maternity leave, paternity leave, adoption leave	No	No
Ancillary leave – eg jury duty, defence reserve service	No	No

Termination payments

Payment	Salary or wages	Ordinary time earnings (OTE)
Termination payments: in lieu of notice	Yes	Yes
Termination payments: unused annual leave, long service leave or sick leave	Yes	No

Bonuses

Payment	Salary or wages	Ordinary time earnings (OTE)
Performance bonus	Yes	Yes
Bonus labelled as ex-gratia but in respect of ordinary hours of work	Yes	Yes
Christmas bonus	Yes	Yes
Bonus in respect of overtime only	Yes	No

Paying super contributions

- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/>
- Last modified: 08 Oct 2018
- QC 44703

Super guarantee (SG) payments must be made to complying funds or retirement savings accounts (RSAs) by the quarterly due dates, which are 28 days after the end of each quarter.

Some super funds require employers to make contributions monthly. When you register with a fund with this requirement, you are agreeing to make monthly contributions to that fund.

You need to pay and report super electronically to ensure it meets [SuperStream](#) requirements.

Next steps:

- [When to pay super](#) (including quarterly due dates)
- [Where to pay super contributions](#)

You can [claim a tax deduction](#) for super payments in the financial year you make them – if you meet the SG requirements.

If you [miss a payment](#), you may have to pay the SG charge and lodge a SG charge statement.

You may be able to use the free [Small Business Superannuation Clearing House](#) to make super contributions for your employees.

See also:

- [Penalties, amendments and objections](#)
- [Proposed Superannuation Guarantee Amnesty](#)

When to pay super

- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/When-to-pay-super/>
- Last modified: 01 Jun 2015
- QC 33753

You pay super for eligible employees calculated from the day they start with you.

You must make the payments at least four times a year, by the quarterly due dates.

Quarterly payment due dates for super payments

Quarter	Period	Payment due date
1	1 July – 30 September	28 October
2	1 October – 31 December	28 January
3	1 January – 31 March	28 April
4	1 April – 30 June	28 July

When a due date falls on a weekend or public holiday, you can make the payment on the next working day.

You can make payments more regularly than quarterly if you want to (for example, fortnightly or monthly) as long as your total SG obligation for the quarter is paid by the due date.

If you haven't paid the minimum amount on time and to the correct fund, you may have to [lodge a Superannuation guarantee charge statement](#) and pay the superannuation guarantee charge (SGC).

On this page:

- [Members' personal super contributions](#)
- [Other contractual requirements](#)
- [Clearing houses](#)

Members' personal super contributions

If you arrange with your employee to make post-tax super contributions on their behalf, the payments are referred to as personal super contributions.

Make sure you pay these contributions promptly, in accordance with the employee's terms of employment and any legal requirement (that is, industrial award conditions).

Members' personal super contributions don't count towards your SG obligations.

Other contractual requirements

Some super funds, awards and contracts require superannuation to be paid more regularly (for example, monthly) than the SG quarterly requirement. Meeting the SG requirement does not ensure compliance with other requirements.

Clearing houses

A clearing house distributes super contributions to your employees' funds on your behalf. If you use a clearing house, the employee's super contribution is counted as being paid on the date the super fund receives it, not the date the clearing house receives it from you. The exception is the free [Small Business Superannuation Clearing House](#) service.

Check with your clearing house to make sure you allow enough time for your payments to be processed before the quarterly due dates.

Next step:

- [Where to pay super contributions](#)

Where to pay super contributions

- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Where-to-pay-super-contributions/>
- Last modified: 03 Dec 2016
- QC 33748

You must pay your contributions to a complying super fund or retirement savings account (RSA).

- A complying super fund is one that meets specific requirements and obligations under super law.
- An RSA is a type of account offered by institutions such as banks and building societies for retirement savings.

On this page:

- [Complying super funds](#)
- [Award obligations](#)

Complying super funds

There are two ways of checking whether a fund is complying.

- use [Super Fund Lookup](#)^{EQ}, or
- get confirmation from the fund's trustee. In confirming their status, the fund must indicate that it intends to accept your super contributions and will continue to meet the relevant legal requirements.

Contributions you pay to a non-complying super fund:

- won't count towards meeting your super guarantee obligations
- won't be tax-deductible
- may incur a fringe benefits tax (FBT) liability.

With confirmation, you're protected against penalties.

Award obligations

You may need to check relevant industrial awards to see if they oblige you to pay super contributions into a specified fund.

Contributions to a complying super fund or RSA under an award arrangement will usually count towards meeting your super guarantee (SG) obligations.

But you must also ensure the fund or RSA satisfies any MySuper or [choice of super fund obligations](#) you may have.

If the super contributions percentage in an award is below the SG rate, you must pay extra contributions to reach this minimum level. If you don't, you'll incur a [superannuation guarantee charge](#) (SGC).

See also:

- [SuperStream](#)
- [Small Business Superannuation Clearing House](#)
- [Withholding payer numbers and the Super guarantee](#)

Withholding payer numbers and the Super guarantee

- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Where-to-pay-super-contributions/Withholding-payer-numbers-and-the-Super-guarantee/>
- Last modified: 23 Jul 2019
- QC 59728

We give certain individuals, partners in partnerships and non-individual entities withholding payer numbers (WPNs) so they can meet their tax and superannuation obligations. Specifically:

- individuals who are not conducting a business, who don't have an Australian business number (ABN), or are employers of domestic staff, including
 - nannies
 - carers
 - cleaners
 - gardeners
 - housekeepers
 - support workers directly employed by participants in the national disability scheme.

- non-individual WPN holders including
 - school canteens
 - sporting clubs
 - international entities
 - embassies.

If you meet the eligibility but don't have a WPN, see [Application to register a PAYG withholding account](#) about what you need to do.

Individual WPN holder – Small Business Superannuation Clearing House


If you're an individual WPN holder you can access the Small Business Superannuation Clearing House through ATO online services linked to myGov.

Note: Under the myGov terms of use you can't allow any intermediary acting on your behalf to access your personal myGov account.

Non-individual WPN holder – Small Business Superannuation Clearing House

If you are a non-individual WPN holder you can't access the clearing house online. To use the SBSCH you must register your business for an ATO clearing house account, which enables you to use a personalised service.

Next steps:

- Phone us on 1300 660 048 to register – this will give you access to the *SBSCH – Employee list spreadsheet* and will enable you to use the email process.
- If you are already registered, lodge using the [SBSCH – Employee list spreadsheet](#)  and email it to SBSCHenquiries@ato.gov.au for processing.

See also:

- [Accessing the SBSCH by business structure](#)

Completing the Superannuation guarantee charge statement

If you are a WPN holder and you need to complete a *Superannuation guarantee charge (SGC) statement* because you haven't paid your super guarantee on time you will need to use our [Super guarantee charge statement calculator tool](#).

- When completing the online form type 70707070707 in the ABN section.
- Select 'Generate SGC statement' once you've completed the form.
- Print a PDF version of the statement.
- Mail the completed and signed SGC statement to us with a cover note quoting your WPN as a reference to:

Australian Taxation Office
PO Box 3578
ALBURY NSW 2640

How to pay your SGC

Before you can pay the SGC, you'll need to obtain your [payment reference number](#) (PRN). You can use the PRN from any SGC-related notice or payment slip received from us for the same ABN if you would like to make immediate payment.

If you do not have a PRN you'll need to obtain one before making a payment.

Next steps:

- To request a new PRN for your SG employer role, you can phone us on 1800 815 886 between 8.00am–6.00pm, Monday to Friday
 - you should wait 28 days after lodging your SGC statement to do so, make sure you have your WPN and contact details handy.
- Once you've obtained your PRN, refer to our [payment options](#) for further details.

Claiming a tax deduction

- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Claiming-a-tax-deduction/>
- Last modified: 01 Jun 2015
- QC 33858

You can claim a tax deduction for super payments you make for employees in the financial year you make them.

Contributions are considered paid when the super fund receives them. Missed payments may attract the super guarantee charge (SGC), which is not tax-deductible. Contributions for employees aged 75 and over must be paid by the quarterly due date to be deductible.

You can use a late payment to reduce the charge or as pre-payment of a future super contribution (for the same employee). This pre-payment is tax-deductible in the normal way.

Example: Timing of payments affects claim year

Brett has five employees. He wanted to claim a tax deduction for the super

contributions he made in relation to their 2012–13 income in his income tax return for the same year. To do this, Brett had to pay the year's super contributions to a complying super fund or retirement savings account by 30 June 2013.

However, Brett didn't pay the super contributions for the fourth quarter of 2012–13 until 5 July 2013, so he could not claim these fourth quarter contributions as a deduction until the next financial year (2013–14).

See also:

- [Missed and late payments](#)

Missed and late payments

- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Missed-and-late-payments/>
- Last modified: 06 Dec 2019
- QC 33750

If you miss a payment – that is, you don't pay an employee's super on time and to the right fund – you may need to pay the [Super guarantee charge](#) and lodge a *Superannuation guarantee charge statement*.

If you pay late, you may be able to use the [late payment](#) either to offset the SGC or to carry forward as prepayment of a future contribution for the same employee.

When you identify that an *SGC statement* is required, find out [how to lodge and pay your SGC](#).

Find out about:

- [The super guarantee charge](#)
- [Late payments](#)
- [Employers affected by disaster](#)
- [Our compliance approach](#)

See also:

- [Checklist: Salary or wages and ordinary time earnings](#)
- [Penalties, amendments and objections](#)
- [Proposed Superannuation Guarantee Amnesty](#)
- [Fact sheet - Exercising the Commissioner's discretion to disregard or reallocate remedial super guarantee contributions](#)

Late payments

- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Missed-and-late-payments/Late-payments/>
- Last modified: 09 Dec 2019
- QC 33759

If you don't pay an employee's super on time, you are liable for the super guarantee charge (SGC), even if you make the payment later.

But you may be able to do one of two things:


- use the [late payment offset](#) to reduce the amount of SGC you must pay
- [carry the late payment forward](#) as pre-payment of a future super contribution for the same employee.

There are time limits on both.

Late payment offset

You'll generally be able to offset late payment amounts against the SGC if you:

- made the payment to your employee's super fund
- made the payment before the date your SGC assessment was made (this means your original assessment, not any subsequent amended assessments)
- lodge your late payment offset election with us within four years of your original SGC assessment date.

To claim your late payment offset, you can submit a completed spreadsheet version of the [SGC statement \(XLS, 497KB\)](#)  via the Business Portal or Online services for agents by both:

- attaching the spreadsheet to a new portal message
- selecting 'Superannuation' and 'Lodge SGC Statement' as the topic and subject.

If you elect to use your late payment to reduce your liability for the SGC:

- it's not tax-deductible
- it can't be used as a prepayment for current or future super contributions
- you can't subsequently change the offset amount or revoke your election.

See also:

- [How much to pay](#)
- [How to lodge and pay your super guarantee charge](#)

Carry forward your late payment

Your other option is to use your late payment towards your super guarantee contribution in the quarter when it was actually paid or a future quarter. You can do

this if:

- it's for the same employee
- the start of the quarter is within 12 months after the payment date.

You can't claim a late payment offset for contributions you've used as a prepayment for current or future periods. If you carry a late payment forward, it is tax-deductible in the year you paid it.

You should talk to your tax adviser to determine the best outcome for your situation.

Example 1: Late payment offset

Charles must pay super contributions for his employee, Joanna. He must make a contribution to Joanna's super fund by 28 April for the quarter ending 31 March.

However, Charles made the payment to the fund on 1 July. This is after the quarterly due date of 28 April, but, before the date the original superannuation guarantee charge (SGC) assessment was made.

As Charles missed the due date, he lodges an *SGC statement* and pays us the SGC.

In the statement, Charles chooses to have his late payment applied as an offset to reduce the SGC. He lodges his *SGC statement* on 10 July, claims the late payment offset and pays the difference.

Example 2: Late payment carried forward

Hannah must pay super contributions for her employee, Henry. For the quarter ending 30 September, Hannah should make a contribution to Henry's super fund by 28 October.

However, Hannah makes the payment on 5 November. This is after the quarterly due date of 28 October, and before the date the original superannuation guarantee charge (SGC) assessment was made.

As Hannah missed the due date, she must lodge an *SGC statement* and pay us the SGC.

In the statement, Hannah chooses not to offset the late payment against the SGC she must pay. She lodges the statement on 12 November and pays the SGC.

Hannah decides to carry forward her late payment from 5 November and use it towards her obligations for Henry for the current quarter, ending 31 December. Hannah can do this because the payment is for the same employee and for a quarter in the 12 months following the date she paid it.

Paper lodgment

Where you are unable to access any of our preferred electronic lodgment options you can download an offset election form which you will then need to print and post to us:

- [Superannuation guarantee late payment offset election](#) (NAT 14899)

Employers affected by disaster

- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Missed-and-late-payments/Employers-affected-by-disaster/>
- Last modified: 08 Oct 2018
- QC 44709

We understand people and businesses affected by disasters may have difficulty paying their super guarantee contributions on time. We make every effort to help employers who have been impacted by disasters.

If you're located in a disaster affected area, or are directly impacted by a natural disaster, you may be unable to make your quarterly super guarantee contributions payments by the due date. If this is the case, contact us as soon as possible.

The law does not allow us to extend the due date to pay the super guarantee contributions for your employees. You will need to lodge a *Superannuation guarantee charge (SGC) statement* and pay the charge. If required, we can talk to you about entering into a payment plan.

Next steps:

- [How to lodge and pay your superannuation guarantee charge](#)
- [Contact us](#)

Calculating SG contributions if your records are lost or damaged

If your records are lost or damaged in a disaster, you can make an estimate of super guarantee contributions using old records. You might get them from:

- your employees
- your bank
- the super funds you pay contributions to
- records of PAYG payments you've made (that we also hold).

You should discuss how you are going to make this estimate with your employees as they should have an understanding of how you're calculating their super payments.

If you're winding up your business as a result of a disaster, you still need to pay your super obligations for your employees before you finish up.

If you are unable to pay on time, you must lodge an *SGC statement*.

See also:

- [Super guarantee charge](#)

Our compliance approach

- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Missed-and-late-payments/Our-compliance-approach/>
- Last modified: 08 Apr 2019
- QC 45690

We work with employers by providing tools and calculators to help them understand and meet their super guarantee (SG) obligations and 'get it right'.

Our compliance approach supports employers who engage with us and want to get things right. We do take firmer action for those unwilling to meet their obligations. We base our approach on the relevant facts and circumstances of each case.

In some cases, an employer may be subject to a SG audit.

If you are unsure what action to take for your situation, phone us on 13 10 20.

See also:

- [Super obligations employer checklist](#)
- [Super guarantee audit fact sheet \(PDF 154KB\)](#) 

The super guarantee charge and penalties

Employers who do not make the right amount of super contributions to a super fund by the due date are required by law to lodge a superannuation guarantee charge statement (SGC statement) and are liable for the super guarantee charge (SGC).

Additional penalties are imposed under Part 7 of the *Superannuation Guarantee (Administration) Act 1992* (SGAA) on employers who fail to provide a SGC statement for a quarter by the due date, or fail to provide information relevant to assessing their liability to pay the SGC for a quarter after being requested.

See also:

- [Super guarantee charge \(SGC\)](#)
- [Penalties](#)

Our differentiated approach

Employers who actively engage with us

These employers maintain regular contact with us, provide all information requested or take any corrective action required by us.

We're unlikely to impose additional penalties for employers who engage with us and have a compliance history that demonstrates they have been generally compliant with their superannuation obligations.

Employers experiencing difficulty meeting their obligations

Employers that are experiencing difficulty meeting their super obligations are encouraged to make a voluntary disclosure. Where this occurs, we have discretion to consider partial or full remission of the part 7 penalty to ensure that employers are treated appropriately.

Remission will be considered based on the circumstances of the case. Particular emphasis will be placed on the degree that the employer has attempted to comply and their compliance history. For example, remission may be provided to employers who lodge a SGC statement after the relevant due date, but before audit action was started.

If you are unsure what action to take for your situation, phone us on 13 10 20.

We can also provide assistance to complete a SGC statement and when you are unable to pay on time we can help work out a payment plan.

Education direction

From 1 April 2019, we may direct an employer to undertake an approved course of education if we reasonably believe they have failed to comply with certain obligations arising under superannuation or taxation laws.

To comply with an education direction, employers must ensure an appropriate course is completed and provide us with evidence of completion within a specified period. If an employer does not comply with a direction, penalties apply.

An employer may be directed to undertake an approved course in relation to their superannuation guarantee obligations or managing their cash flow.

An entity providing an approved course of education may charge a fee for the course. The cost of the course is deductible for employers.

Approved courses

The SG Employer Obligations online course is a free and approved education course developed by us for the purposes of the education direction.

Further courses may be offered in the future.

Approved courses may be undertaken to improve your knowledge of SG obligations even if you haven't been directed by us. You are encouraged to undertake a course to improve your understanding of an employer's SG obligations.

See also:

- [SG Employer obligations course](#)
- [Employers affected by disaster](#)

Employers who are unwilling to meet their obligations

If employers fail to engage with us by not replying promptly to our correspondence or not actively taking steps to resolve their SG discrepancy, we will take stronger compliance action, including imposing additional penalties.

We may also issue an estimate of an SGC liability, a garnishee notice, director penalty notice or a direction to pay SGC.

We take this approach with employers who:

- repeatedly fail to pay the correct amount of SG
- attempt to obstruct our ability to determine an SGC liability
- repeatedly fail to keep appointments
- repeatedly fail to supply information without an acceptable reason
- deliberately supply information that is irrelevant, inadequate or misleading
- engage in any culpable behaviour to delay the provision of information.

Next steps:

- [Fact sheet for employers - Superannuation Guarantee compliance approach](#)

The super guarantee charge (SGC)

- [https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Missed-and-late-payments/The-super-guarantee-charge-\(SGC\)/](https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Missed-and-late-payments/The-super-guarantee-charge-(SGC)/)
- Last modified: 02 Dec 2019
- QC 33743

If you don't pay the minimum amount of super guarantee (SG) for your employee into the correct fund by the due date you may have to pay the super guarantee charge (SGC), which is not tax-deductible.

The charge is made up of:

- SG shortfall amounts (including any [choice liability](#) calculated on your employee's salary or wages)
- interest on those amounts (currently 10%)
- an administration fee of \$20 per employee, per quarter.

You report and rectify the missed payment by lodging an *SGC statement* by the due date and paying the SGC to us.


If you pay late, you may be able to use the [late payment](#) either to offset the SGC or to carry forward as pre-payment of a future contribution for the same employee.

You must still lodge an *SGC statement* and pay the balance of the SGC to us.

Working out the charge and preparing the statement

When an *SGC statement* is required, you can use the options below to assist with the calculation and lodgment of your SGC.

In the [Business Portal](#)[Ⓔ] you can use the *SGC statement and calculator tool* (refer to [Superannuation guarantee charge statement business portal help](#)[Ⓔ] for assistance).

In the Business Portal or Online services for agents if you're a registered tax or BAS agent, you can download and lodge a [spreadsheet version \(XLS 497KB\)](#)  of the *SGC statement*. The spreadsheet will not automatically calculate your SG shortfall, but will calculate the nominal interest component up until the date the form is completed. You then attach the completed spreadsheet to a new mail message selecting the topic Superannuation and subject Lodge SGC Statement.

In calculating and populating the spreadsheet you can refer to [How to use the SGC statement and calculator tool](#) for assistance.

Payment dates

You must lodge your *SGC statement* and pay the charge by the due date.

SGC payment schedule

Quarter	Period	Due date
1	1 July – 30 September	28 November
2	1 October – 31 December	28 February
3	1 January – 31 March	28 May

4	1 April – 30 June	28 August
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When a due date for payment falls on a weekend or public holiday, you can make the payment on the next working day.

Once you lodge a statement and pay the SGC, we transfer the super guarantee shortfall amount and any interest to your employee's chosen super fund.

Extension of time

If you know you're going to miss the due date for lodging an *SGC statement*, you can ask us for an extension of time to lodge. You can also ask for an extension of time to pay.

You must make the request before the due date, in writing, stating why you need an extension. The nominal interest will continue to accrue until you lodge. The general interest charge (GIC) will then apply from the deferred payment time as varied until the SGC is paid in full.

Our collection approach to unpaid SGC

We prioritise the collection of unpaid SGC debts. We'll work with you to address outstanding amounts but if you don't engage with us we'll take [stronger action](#).

This can include:

- [Director penalty notices](#)
- [Garnishee notices](#)
- [Direction to pay SGC](#)

If an employee reports you for unpaid super we'll start an [investigation on their behalf](#). We'll keep them informed of the investigation and the progress of our debt recovery actions.

If we determine that you haven't met your obligations or reasonably suspect that you haven't we may disclose to all your affected employees and any former employees any SG shortfall as it relates to them.

These three examples are based on an employer with 30 employees.

During the quarters shown in the examples, each employee earned \$12,500 in total salary and wages.

However, for each employee \$2,500 of their total salary and wages was for paid overtime. So each employee's [ordinary time earnings \(OTE\)](#) for the quarter was \$10,000.

Example 1: Employer pays SG correctly

In the quarter from 1 July to 30 September 2016 the employer paid SG on the OTE of all employees:

OTE (for 30 employees): \$300,000

SG = OTE × 9.5%

= 300,000 × 9.5%

= \$28,500

The employer paid the \$28,500 on time into the employees' super fund accounts. The \$28,500 is income tax-deductible for the business.

Example 2: Employer pays no SG

In the quarter from 1 July to 30 September 2009 (when SG was 9%), the employer did not pay any SG contributions. As a result of an employee enquiry about their unpaid super, we audited the employer for the September 2009 quarter. Our audit occurred several years later and was completed on 5 August 2013.

We calculated the employer's SGC liability on the full salary and wage amount (not just OTE), and each employee received nominal interest of 10% on that amount, calculated from the start of the quarter the SG wasn't paid.

Total salary and wages (for 30 employees): \$375,000

Total SG shortfall:	\$33,750 (\$375,000 × 9%)
Total choice liabilities:	\$0.00
Nominal interest:	\$13,832.65
Administration fee:	\$600
Total SGC:	\$48,182.65

Additionally:

- the general interest charge (GIC) will accrue until the SGC is fully paid
- a penalty may be imposed on the employer for failing to provide an SGC statement or information relevant to assessing their liability.

As a result of all this, the employer has incurred more than \$21,000 in additional, non-deductible costs.

Example 3: Employer doesn't pay SG but lodges an SGC statement

The employer lodged an SGC statement on 5 December 2009, shortly after the due date for the quarter (28 November).

SGC was calculated on the full salary and wage amount and included nominal interest on that amount (10%) from the start of the quarter the SG wasn't paid:

Total SG shortfall:	\$33,750 ($\$375,000 \times 9\%$)
Total choice liabilities:	\$0.00
Nominal interest:	\$1,451.71
Administration fee:	\$600
Total SGC:	\$35,801.71

See also:

- [How much to pay](#)
- [How to lodge and pay your super guarantee charge](#)
- [Late payments](#)
- [Penalties, amendments and objections](#)
- [Superannuation Guarantee Amnesty](#)
- [Fact sheet - Exercising the Commissioner's discretion to disregard or reallocate remedial super guarantee contributions](#)

How to lodge and pay your super guarantee charge

- [https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Missed-and-late-payments/The-super-guarantee-charge-\(SGC\)/How-to-lodge-and-pay-your-super-guarantee-charge/](https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Missed-and-late-payments/The-super-guarantee-charge-(SGC)/How-to-lodge-and-pay-your-super-guarantee-charge/)
- Last modified: 02 Dec 2019
- QC 56955

The following explains how to calculate and lodge your [super guarantee charge](#) (SGC) where you've identified you need to pay this on behalf of your employees.

Find out about:

- [How to lodge](#)
- [How to pay](#)
- [Providing feedback](#)

See also:

- [How much to pay](#)
- [Checklist: salary or wages and ordinary time earnings](#)
- [The super guarantee charge \(SGC\)](#)
- [Superannuation Guarantee Amnesty](#)

How to lodge

You can lodge an *SGC statement* either:

- electronically using the *SGC calculator* in the Business Portal
- by completing the spreadsheet version and attaching it using the mail function in the Business Portal or Online services for agents.

Electronic lodgment


To lodge an *SGC statement* electronically, use the *SGC calculator* in the Business Portal. Refer to [Super guarantee charge statement – Business Portal Help](#)²⁷ for assistance.

The calculator will ask a series of questions to work out if you're required to pay the SGC for your employees, and calculate the amounts payable. The calculator will also electronically lodge your *SGC statement* with us.

See also:

- [Business Portal](#)

Spreadsheet version

Users of the Business Portal and Online services for agents, including insolvency practitioners, can complete and lodge the [spreadsheet version \(XLS 497KB\)](#)  of the *SGC statement* as an attachment, using the 'Mail' function.

To ensure the *SGC statement* is received and processed, select New Message:

- Topic: Superannuation

- Subject: Lodge SGC statement

You will need to prepare one *SGC statement* per quarter. Outbound messages can have up to six attachments totalling no more than 4MB. Spreadsheet attachments should be saved in .xls format.

Notes

- The spreadsheet will not automatically calculate your SG shortfall, but it will calculate the nominal interest component up until the date the form is completed.
- If you need a more accessible version you can use the [SGC statement and calculator tool](#) to help you complete an *SGC statement*.

Use Access Manager to provide access to a third party

[Access Manager](#) allows you to delegate access to a third party, such as your bookkeeper or tax agent, to deal with your super guarantee obligations.

To appoint another business to act on your behalf, take the following steps within Access Manager:

- select Who has access to my business from the left-hand menu
- select Appoint new business from the blue menu bar
- enter the ABN for the business you want to appoint
- select Continue
- select the relevant permission in Access Manager
 - go to ATO Transactions
 - click in the boxes to select Prepare and/or Lodge beside Super guarantee charge statement (the Select all and Clear all buttons above the list can be used to select and clear all permissions for the user)
- select Save.

Once you've completed these steps, all administrators within the appointed business will automatically be given the permissions you have assigned. Access Manager also allows you to modify or remove these permissions at any time.

It is the responsibility of the administrators of the appointed business to provide access to the relevant users in their business to act on your behalf.

If you have authorised third-party access for your business, you can use Access Manager to assign the appropriate permissions to the user. To do this you:

- select Access and permissions from the left-hand menu.
- select the user in the table and if the user isn't listed, they need to log in to our online service (such as the portal) – this creates a profile and the user will display in the table.
- select the relevant permission in Access Manager.
 - go to ATO Transactions
 - click in the boxes to select Prepare and/or Lodge beside Super guarantee

charge statement. The Select all and Clear all buttons above the list can be used to select or clear all permissions for the user.

- select Save.

Note: Once you assign permissions to a user, anything they do within our online services is legally binding to your business.

See also:

- [Business Appointments](#)
- [Modify permissions for an appointed business](#)
- [Remove appointed business](#)
- [Permissions](#)

How to pay

Before making a payment, you'll need to obtain your [payment reference number](#) (PRN) by:

- using the same PRN from any SGC-related notice or payment slip received from us for the same ABN
- phoning 1800 815 886 between 8.00am–6.00pm, Monday to Friday, including where you need to request a new PRN for your SG Employer role (make sure you have your ABN and contact details handy).

Once you've obtained your PRN, refer to our [payment options](#) for further details.

Late payments

If you're unsure whether you've paid enough super on time for any of your employees or to the correct fund, check using the [Super guarantee charge statement and calculator tool](#).

When completing the statement, only include those employees for whom you're required to pay the SGC.

If you've paid late:

- you need to lodge *SGC statements*
- you are liable for the SGC.

You may be able to elect late payment offsets (LPO). An LPO can only be used for those contributions paid before an SGC assessment is raised.

See also:

- [Late payments](#)
- [Superannuation Guarantee Amnesty](#)
- [Superannuation guarantee charge statement – quarterly form and instructions](#)

Providing feedback

We welcome your feedback on the *SGC statement and calculator tool*. You can provide feedback by filling in our [ATO calculators feedback form](#).

Small Business Superannuation Clearing House

- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Small-Business-Superannuation-Clearing-House/>
- Last modified: 31 Mar 2020
- QC 44705

The Small Business Superannuation Clearing House (SBSCH) is a free service you can use to make super guarantee (SG) contributions. Eligible businesses are those with 19 or fewer employees or an annual aggregated turnover of less than \$10 million.

Watch:

Media: Small Business Superannuation Clearing House
<https://tv.ato.gov.au/ato-tv/media?v=bd1bdiubk8ig7h> [↗] (Duration: 1:44)

Your business can pay your SG contributions as a single electronic payment to the SBSCH. If you make super payments by EFT or BPAY using your credit card account, you may be charged a fee by your financial institution.

The SBSCH will then distribute the payments to each employee's super fund. Your SG obligations are met as soon as your payment and instructions are accepted by the SBSCH. The SBSCH is SuperStream compliant.

Note: The ATO has regular [system maintenance](#) which can affect the availability of the SBSCH.

On this page:

- [Accessing the SBSCH](#)
- [Features of the SBSCH](#)
- [Using the SBSCH](#)
- [Help using the SBSCH](#)

Accessing the SBSCH

How you access the SBSCH depends on your business situation.

The clearing house can be accessed via:

- the Business Portal if you are a business with an Australian business number (ABN)
- ATO online services via myGov if you are a business or sole trader with an ABN or withholding payer number (WPN) but no Business Portal account (you should log in using your business account ABN, not your personal account TFN)
- Online services for agents if you're a tax professional.

To access the Business Portal or Online services for agents you'll need to use [myGovID and Relationship Authorisation Manager](#) (RAM).

Next steps:

- You can use the [SBSCH flowchart](#) to work out which online service and authentication credential fits your business situation, or read [Accessing the SBSCH depending on your business structure](#).
- From our [home page](#) banner you can choose who you want to log in as, and then select the yellow Login button.

Features of the SBSCH

The SBSCH allows you to:

- pay super the [SuperStream](#) way – money and data is sent electronically in a standard format
- nominate a regular contribution amount for an employee
- make all your super contributions in one transaction – the SBSCH distributes super contributions to your employees' nominated super funds securely
- ensure your SG obligations are met as soon as your payment and instructions are accepted by the SBSCH (please refer to the [terms and conditions](#))
- access your transaction history.

Note: Any employee you have paid super for will remain on your SBSCH account for historical purposes. If you are no longer required to pay super for an employee you should go into the system and add an end date against that employee's record. This will make them 'inactive' in the SBSCH.

Using the SBSCH

The SBSCH is an optional service which has an online help function. By using the service, you agree to the clearing house [terms and conditions](#) and [privacy notice](#).

When you register for the SBSCH using your ATO online account, ensure you are registering using your business ABN or WPN – not your own personal details.

When you register for the SBSCH, you must provide details about your business and employees. An employee is defined as an individual employed on a full-time, part-time or casual basis.

You can nominate someone other than the business owner to use the SBSCH on your behalf (this may include a payroll officer or bookkeeper).

You have 21 days to register an [employee's choice of fund](#) with the SBSCH.

Making a payment

When employers make payments to their employees' self-managed super funds (SMSFs), it is important to remember that:

- you are required to obtain and submit correct electronic service addresses (ESA), ABNs and bank account details in order for payments to be processed
- if your employee does not provide the choice of fund information before you are required to make a payment, you must make the [payment to your default fund](#)
- payments may take up to seven business days to be transferred through ATO and super fund processes into an employee's super fund account.

Payments made can be viewed in the Historical tab within the SBSCH.

Payment methods include:

- credit card – we use the Reserve Bank's Government EasyPay service
- BPAY
- direct credit.

After a payment has been made

Following a payment by one the methods noted above, a payment reference number (PRN) will be provided to you. Using the wrong PRN will delay processing and may result in payment rejection.

We consider that the employer has met their obligations under the *Superannuation Guarantee (Administration) Act 1992* once:

- they have made a payment to the SBSCH by the quarterly due date
- their payment has been accepted by both the SBSCH and the relevant fund.

When claiming a tax deduction for SG payments and keeping track of contributions for contributions caps, payments made via the SBSCH are considered to be received in the income year that the superannuation fund receives the payment.

Tips to ensure fund payment acceptance

If there is a mistake in your employee's details, their super fund may reject your payment and send it back to us.

Before you click on the Submit button, make sure you've checked the accuracy and currency of the:

- Unique Superannuation Identifier (USI), commonly known as a super fund product for APRA-regulated funds
- ABN, bank account and electronic service address for self-managed super funds (SMSFs)
- super fund member account number

- fund name – use alphanumeric characters only and no symbols (including '&')
- [payment reference number](#) (PRN) in the Payment Options screen (also known as an EFT code) and ensure it matches with your payment instructions.

If the payment is returned to us, we'll contact you to ask that the information be updated within seven business days.

If you update the details, we'll re-send the super payment to the fund.

If you don't update the details, we'll send the payment back to you.

If your employee's details change after you submit a payment instruction, but before it is processed, you will need to delete the payment instruction and lodge again.

Once a payment is received by the SBSCH and sent on to the nominated fund, it can be viewed in the SBSCH Historical tab.

Single Touch Payroll

Reporting using Single Touch Payroll (STP) became compulsory from 1 July 2019 for employers with 19 or fewer employees. STP does not change any of the current processes for making superannuation payments. This includes payments made through the Small Business Superannuation Clearing House.

Help using the SBSCH

If you are having difficulty accessing or using the SBSCH, use the following resources:

- [SBSCH troubleshooting](#)
- [Troubleshooting for business and tax practitioners](#)
- [SBSCH system status](#)
- [ATO system maintenance](#)
- Registering for [online services](#)
- [ATO Community – Super Clearing House forum](#)^{external} – search for posts or ask questions
- [Small business assist](#)^{external} – including Live Chat support
- Arrange a [Small business after-hours call back](#)

Penalties, amendments and objections

- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/Penalties,-amendments-and-objections/>
- Last modified: 02 Apr 2020
- QC 44708

If you don't meet your super guarantee (SG) obligations, you may be liable for a range of penalties or charges on top of the super guarantee charge. You're entitled to amend or object to an assessment we make.

On this page:

- [Choice liability](#)
- [Director penalties](#)
- [Other penalties](#)
- [Amendments and objections](#)

Choice liability

This is a penalty for not giving eligible employees a [choice of super fund](#). You pay it if:

- you haven't given them a standard choice form within the required timeframe
- you've paid their super to a complying fund but not the fund they chose
- you charge them a fee for implementing their choice of fund.

The choice liability penalty is part of the super guarantee charge (SGC).

Director penalties

The director of a company that fails to meet an SGC liability in full by the due date automatically becomes personally liable for a penalty equal to the unpaid amount.

When an SGC liability remains outstanding, we may issue a director penalty notice (DPN), though this is necessary only to enable us to start legal proceedings to recover the penalty. Even without issuing a notice, we can collect the penalty by other means, for example, by withholding a tax refund.

The penalty will be remitted if your company pays the outstanding amount at any time. It may be remitted if your company goes into voluntary administration or liquidation (conditions apply).

See also:

- [Director penalty regime – guide for directors](#)

Other penalties

General interest charge

If you lodge an SGC statement but don't pay the charge by the due date, you incur an additional charge – the general interest charge (GIC). It accrues from the date your SGC is due up to the date you pay your SGC account in full. The GIC is calculated on a daily compounding basis and is tax-deductible in the year you incur it.

Administrative penalty

If you pay less SGC than you should because you made a false or misleading statement, we can impose an administrative penalty. The base penalty amount can be up to 75% of the shortfall. It can be varied according to your circumstances.

Failing to keep records

The maximum fine for an individual convicted of failing to keep adequate records is 30 [penalty units](#). You may also be liable for an administrative penalty of 20 penalty units.

Failing to provide an SGC statement when required

If you lodge your SGC statement late, or fail to provide a statement or information when we ask for it during an audit, you are liable for a penalty (Part 7 penalty). The maximum penalty is 200% of the SGC.

Failing to pass on a TFN

You're liable for 10 penalty units each time you don't provide an eligible employee's TFN to their super fund or RSA within the required time.

Arrangements to avoid your obligations

If you enter into arrangements to avoid certain obligations, such as your liability for the SGC, you may incur the charge you avoided plus a penalty. We can vary the base penalty according to your circumstances.

Amendments and objections

When we receive your superannuation guarantee charge (SGC) statement, we treat it as an assessment issued on that date.

Amendments

You can ask for an amendment at any time within four years of the date the assessment was made (the date we received your SGC statement). You must provide copies of all supporting documentation with your amendment request.

Objections

You can object to an assessment within 60 days of the date the assessment was made (the date we received your SGC statement). To object to an assessment, you must:

- provide us with the grounds for your objection in writing
- sign your statement (or have an authorised representative sign it)
- provide us with copies of the evidence to support your objection.

You must still pay the SGC, even if you're objecting or requesting an amendment to your assessment. But if you're successful, we will refund any overpayment.

You can't object to the general interest charge, although you can ask us to remit it if

the circumstances are exceptional. To do this, explain in writing why you should not have to pay the general interest charge and send your request to us at:

Australian Taxation Office
PO Box 327
ALBURY NSW 2640

Appeals and review process

If your objection is not allowed in full, you may apply to the Administrative Appeals Tribunal for a review or appeal to the Federal Court against the decision within another 60 days.

See also:

- [Correct a mistake or amend a return](#)
- [Dispute or object to an ATO decision](#)
- [Proposed Superannuation Guarantee Amnesty](#)

SuperStream

- <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/SuperStream/>
- Last modified: 03 Dec 2016
- QC 44706

SuperStream is the way businesses must pay employee superannuation guarantee contributions to super funds. With SuperStream, money and data are sent electronically in a standard format.

All businesses should be paying super the SuperStream way.

Potential benefits of using SuperStream include:

- the opportunity to use a single channel when dealing with super funds, no matter how many funds your employees contribute to
- less time spent dealing with employee data issues and fund queries
- reduced cost of processing contributions and payments
- more timely flow of information and money in meeting your superannuation obligations.

There are a number of options available to help you move to SuperStream. Your fund or service provider (such as a clearing house, payroll software provider, accountant or bookkeeper) can help you find the right one for your business.

See also:

- [SuperStream for employers](#)
- [SuperStream testimonials](#)

Employer super quick check

- <https://www.ato.gov.au/Business/Super-for-employers/Run-a-quick-check-of-your-super-obligations/>
- Last modified: 09 Oct 2018
- QC 50339

Paying super is an important part of being an employer.


Super provides income for your workers in retirement.

Here's how to run a quick check of your super obligations to make sure you've got everything sorted.

- Check you're paying super to all eligible workers.
 - Some contractors may be entitled to super.
- Check you're paying the right amount.
 - Currently you need to pay a minimum of 9.5% of their ordinary time earnings.
- Check you're paying on time.
 - It's tax deductible against your business income.
 - At a minimum, pay super quarterly.
 - If you don't pay on time, you need to pay a superannuation guarantee charge, which is not tax deductible.
- Check you're paying to the right place.
 - Pay super into your worker's fund of choice.
 - If they haven't given you the details, pay it into your default fund.
- Check you're paying the right way.
 - Pay the SuperStream way – where both payments and data are sent electronically in a standard format.
 - You may be able to use the free Small Business Super Clearing House to distribute payments to your employees' super funds.
 - Single Touch Payroll is the next step in streamlining your payroll reporting.
- Check you're keeping accurate records.
 - Keep evidence to show you've met your obligations.

Employing people involves lots of obligations, including superannuation. We have the tools and calculators to help you get it right.

Next steps:

- Attend our [Super obligations for employers](#) webinar. It explains which of your employees are eligible for super, how to calculate their super and what happens when super is not paid on time.
- Visit - [Super for employers](#)
- Phone - 13 10 20
- Download - [Employer Super Obligations Brochure \(NAT 75128 PDF 837KB\)](#) 

Superannuation guarantee amnesty

- <https://www.ato.gov.au/Business/Super-for-employers/Superannuation-guarantee-amnesty/>
- Last modified: 30 Mar 2020
- QC 55626

COVID-19 effects

We understand you may wish to apply for the superannuation guarantee amnesty (the amnesty) and may be concerned that, as a result of COVID-19, your circumstances may change and you will not be able to pay the liability.

If you want to participate in the amnesty, the law requires you to apply by 7 September 2020.

However, we will work with you to establish a payment plan that is flexible to help you to continue making payments. These arrangements include:

- flexible payment terms and amounts which we will adjust if your circumstances change
- the ability to extend the payment plan to beyond 7 September 2020, the end of the amnesty period. However, only payments made by 7 September 2020 will be deductible.

If, after we work with you, you are unable to maintain payments, the law requires us to disqualify you from the amnesty and remove the amnesty benefits. However:

- the disqualification will only apply to any unpaid quarters
- we will advise you which quarters are unpaid – for these quarters we will re-apply the administration component of \$20 per employee included in the disqualified quarter

- we will also take your circumstances into account when deciding whether a Part 7 penalty should be applied to your disclosure – a review of your circumstances may result in the Part 7 penalty being reduced to nil.

We also recognise that for some employers, applying for the amnesty will result in them receiving a refund. In particular:

- for those employers who are eligible and lodged a super guarantee charge (SGC) statement [between 24 May 2018 and 6 March 2020](#), we are amending your returns as quickly as possible so that any refunds can be paid to you
- if you have made payments of SGC or contributions to employee super funds in 2017-18 or 2018-19 that are eligible for income tax deductions, you should include this deduction in your tax return for the relevant year. Once we have amended your return we will pay any refund due as soon as possible. Generally this will be within 14 days.

To allow us to issue your refunds in a timely manner make sure that your financial institution account details are updated and correct. You can do this via the Business Portal or by phoning us on 13 28 66.

We acknowledge the difficult times the community has been experiencing recently with COVID-19 and the 2019–20 bushfires, however, the law does not allow us to vary the due date for lodgment of an amnesty application. If you're a small or medium business and you need further assistance managing your tax and super obligations, contact our Emergency Support Infoline on 1800 806 218 or speak with a trusted tax advisor.

To find out more about the support available to you, your business, or your clients visit:

- [COVID-19](#)
- [Bushfire 2019-20](#)

Super guarantee amnesty

On 6 March 2020 the government introduced a superannuation guarantee (SG) amnesty (the amnesty). The amnesty allows employers to disclose and pay previously unpaid super guarantee charge (SGC), including nominal interest, that they owe their employees, for quarter(s) starting from 1 July 1992 to 31 March 2018, without incurring the administration component (\$20 per employee per quarter) or Part 7 penalty.

In addition, payments of SGC made to the ATO after 24 May 2018 and before 11:59 PM 7 September 2020 will be tax deductible.

Employers who have already disclosed unpaid SGC to the ATO between 24 May 2018 and 6 March 2020 don't need to apply or lodge again – see [Disclosures of unpaid SG between 24 May 2018 and 6 March 2020](#).

Employers who come forward from 6 March 2020 need to [apply for the amnesty](#) by 7 September 2020.

The ATO will continue to conduct reviews and audits to identify employers not paying their employees SG. If we identify these employers before they come forward, they will not be eligible for the benefits of the amnesty. They will also be required to pay:

- SG shortfall
- nominal interest (10%)
- administration component (\$20 per employee per quarter)
- Part 7 penalty (up to 200% of the SGC).

In addition, payments of the SGC won't be tax deductible.

Paying super is an important part of being an employer. If you're not eligible for the amnesty, or you have unpaid super for quarters that are not eligible, you must still lodge an [SGC statement](#).

Find out about:

- [Why you should act now](#)
- [Eligibility for the amnesty](#)
- [Benefits of the amnesty](#)
- [Disclosures of unpaid SG between 24 May 2018 and 6 March 2020](#)
- [How to apply for the amnesty](#)
- [Pay in full or set up a payment plan](#)
- [Avoid losing the benefits of the amnesty](#)
- [Employee entitlements](#)
- [Super guarantee amnesty key dates](#)

Media: [Super guarantee amnesty]

<https://tv.ato.gov.au/ato-tv/media?v=bd1bdiun3unsbf> (Duration: 00:39)

See also:

- [The super guarantee charge \(SGC\)](#)
- [Super guarantee percentage](#) for historical SG rates

Why you should act now

The ATO's ability to identify underpaid SG has increased through greater data visibility as a result of more frequent reporting requirements by super funds and employers.

We are increasingly using this capability to identify employers that have underpaid SG.

If we identify underpaid SG amounts for a quarter that was covered by the amnesty that you have not disclosed, in addition to the SG shortfall you will also be liable for:

- the administration component (\$20 per employee per quarter)
- up to a 200% Part 7 penalty (at minimum 100% if remission is applicable)

- nominal interest (10%)
- the general interest charge (GIC).

In addition, you will not be able to claim a tax deduction for the SGC paid.

Example: Failure to disclose during SG amnesty

Ben owns a salon employing five staff. He sometimes has difficulty paying his employees their SG entitlements. Ben hears about the SG amnesty, but decides he doesn't have time to work out what he hasn't paid and will sort it out later.

The ATO uses payment data available from super funds and identifies that Ben hasn't met his SG obligations for all four quarters in 2017.

On 14 October 2020 Ben receives a letter from the ATO telling him they have commenced an audit. They request evidence of super payment for the quarters identified.

Ben goes through his records and discovers he has an SG shortfall. The total SGC payable is \$12,800, which includes the SG shortfall, interest and administration component.

Ben remembers the amnesty and phones the ATO to see if he is eligible. The ATO tells him that the amnesty ended on 7 September 2020.

Because Ben didn't disclose the shortfall during the amnesty period, he has to pay the full SGC amount of \$12,800, this includes \$400 for the administration component (five staff × \$20 × four quarters). The ATO also applies the minimum Part 7 penalty of 100% after remitting it from 200%, adding a further \$12,800.

The total amount Ben owes the ATO is \$25,600. Ben cannot claim a tax deduction for the SGC of \$12,800 or the additional penalty of \$12,800.

If Ben had reviewed his records and disclosed the underpayments within the amnesty period he would not have incurred the \$12,800 penalty and would have avoided the \$400 administration component. In addition, he would have been able to claim a tax deduction for the SGC paid before 7 September 2020.

Next step:

- To learn more about your super obligations as an employer, check out our free online [super guarantee employer obligations course](#).

Eligibility for the amnesty

To be eligible for the amnesty you must meet and fulfil all the following criteria. You must:

- have not been informed the ATO is examining or intends to examine your SG obligation for the quarter(s) your disclosure relates to
- disclose an SG shortfall for an employee that you haven't already disclosed to us (or disclose additional amounts of SG shortfall for a quarter previously disclosed)
- disclose for quarter(s) starting from 1 July 1992 to 31 March 2018.
- lodge your completed SG amnesty form with the ATO so we receive it no later than 7 September 2020.

Note: You will also need to pay the amount owing to the ATO or set up a payment plan after you lodge the SG amnesty form. You need to do this to avoid being disqualified and losing the benefits of the amnesty.

Example: Eligibility for the amnesty

Chloe owns a café with five staff. Going through her records she finds she has not made SG payments for her employees for four quarters in the 2015–16 financial year. Realising the error Chloe completes and lodges the SG amnesty forms for these quarters.

Chloe is eligible to apply for the benefits of the SG amnesty because:

- she has not been informed that the ATO is examining or intends to examine her SG obligations for the quarters the disclosures relate to
- she has not previously disclosed to the ATO for the employees listed on the SG amnesty forms and for the quarters the disclosures relate to
- the disclosures are for quarters that are eligible for the amnesty, being a quarter between 1 July 1992 to and including the quarter ending 31 March 2018
- the ATO received her SG amnesty forms before 7 September 2020.

Benefits of the amnesty

If you qualify for the amnesty, you:

- will be able to claim a tax deduction for the SGC amounts you pay to the ATO by 7 September 2020
- won't be required to pay the administration component (\$20 per employee per quarter) of the [super guarantee charge \(SGC\)](#)
- won't have a [Part 7 penalty](#) applied.

Note: If you have already been assessed for a quarter, you can amend a previously disclosed SG shortfall. However, only newly-disclosed, additional amounts will be considered for the benefits of the amnesty.

Your professional advisor can provide further advice on participating in the amnesty, based upon your particular circumstances.

Disclosures of unpaid SG between 24 May 2018 and 6 March 2020

If you previously disclosed unpaid SG to the ATO in anticipation of the SG amnesty, you don't need to lodge again or apply on the SG amnesty form.

The ATO will review all disclosures received between 24 May 2018 and 6 March 2020.

If your disclosure is eligible we will apply the amnesty law and advise you of your eligibility.

If you haven't paid or set up a payment plan, you should take action now to avoid being disqualified and losing the benefits of the amnesty.

You should make sure that your financial institution account details are updated and correct via the Business Portal, or by phoning us on 13 28 66. If you are eligible for a refund of any amounts previously applied to your account, this will allow us to issue your refund in a timely manner.

Example: Disclosing unpaid SG between 24 May 2018 and 6 March 2020

Graham is a director of a construction company. As part of updating his payroll system in July 2018, Graham discovered that the company had underpaid some of their workers SG for several years, going back to 2012.

Graham then contacted his tax agent and worked with them to prepare and lodge SGC statements for a total of 24 quarters. In August 2018 Graham entered into a payment arrangement to pay the SGC to the ATO in instalments and has been making regular payments.

Graham hears about the SG amnesty and asks his tax agent if he is eligible. Graham's tax agent explains that he is eligible because the disclosures:


- relate to quarters before 31 March 2018
- were made after 24 May 2018
- were not as a result of an examination by the ATO.

The ATO identifies that Graham made an eligible disclosure and notifies him in writing that he is eligible. The ATO also amends Graham's SGC liability to remove the administration component. As Graham had checked and updated his financial institution details through the Business Portal, he will receive any refund of the administration component in a timely manner.

As long as Graham adheres to his payment plan, he will remain eligible for the benefits of the amnesty. This includes being able to claim a tax deduction for payments made by 7 September 2020.

How to apply for the amnesty

To apply for the amnesty, you must:

- download the approved [SG amnesty form \(XLS 613KB\)](#) 
- complete one form per quarter using the instructions contained in the form
- check the amounts are correct and there are no errors on your form
- complete the declaration to confirm you are applying for the amnesty
- save the form as an .xls file type.

You must keep records for five years after your disclosure that identifies the employees and amounts of SGC you have disclosed.

We recognise that your disclosure may relate to a year in excess of these general record keeping requirements for businesses. In such cases, your disclosure can be based on a range of information sources.

Note: SGC statements lodged after 5 March 2020 won't be considered for the amnesty. If you don't use the approved SG amnesty form or you don't save it as an .xls file type, your application may not be accepted.

Example: Disclosures older than the last five years


Zhang has run a successful catering company for over 20 years. He has had many employees over the 20 years, some turning over quickly whilst others are long term. Because he has employed so many individuals, he is unsure if he has always correctly paid the correct super entitlements to all of his employees. He decides to review his records.

Zhang has heard about the SG amnesty and phones the ATO. He wants to know how far back he needs to go, particularly as he has changed payroll systems a few times over the years.

The ATO tells Zhang to review his payments for at least the last five years, as the law requires these records to be kept. They advise that if he has records older than that he should take the opportunity to correct any past underpayments that he can identify. This may include using bank statements, pay slips, and award documents as references.

This is because even if employers can't find it, historical information provided by current or former employees may result in an audit on any quarter from 1 July 1992. The ATO is not restricted by a time limit to make a SGC assessment.


Next steps:

- Download the [SG amnesty form \(XLS 613KB\)](#) 
- If you have more than 3,000 employees, phone us on 13 10 20 to obtain a larger form
- If you need a more accessible format of the approved SG amnesty form, phone us on 13 10 20.

Lodge your SG amnesty form by secure mail

Do not use the SGC calculator in the Business Portal if you want to apply for the amnesty.

To ensure the correct calculation of the amount of SGC you owe and efficient processing of your amnesty application you need to:

- use the Mail function in the [Business Portal](#) or [Online services for agents](#)
- select New message
- type Topic: Superannuation
- type Subject: Lodge SG amnesty
- attach the completed [SG amnesty form \(XLS 613KB\)](#)  for each quarter to the secure mail message. You can attach up to six forms totalling no more than 4MB.

Your professional advisor can provide further advice on participating in the amnesty, based upon your particular circumstances.

Receive confirmation of your eligibility

If you are eligible for the amnesty, you:

- will be informed in writing within 14 business days of us receiving your application
- won't be charged the administration component (\$20 per employee per quarter)
- won't be charged part 7 penalty
- will need to pay or set up a payment plan to pay the total amount of SGC you owe. We will send you your payment reference number (PRN).

You will be eligible to claim a tax deduction for any payments you make between 24 May 2018 and 7 September 2020 toward the amount of SGC eligible for the amnesty.

Payments of SGC made after 7 September 2020 won't be eligible as a tax deduction.

Pay in full or set up a payment plan

You must pay the amount of SGC owing to avoid losing the benefits of the amnesty.

If you have paid directly to a super fund and have not lodged the amnesty form, you must claim a [late payment offset](#).

If you lodge your amnesty forms to the ATO, you must pay us. Don't pay the amount

of SGC owing direct to your employees' funds or to a clearing house.

It's important you act quickly to either:

- pay the amount owing in full
- set up a payment plan for the amount of SGC you owe.

You will need to know your PRN. You can find your PRN on any SGC related notice or SGC payment slip you have previously received from us for the same ABN.

If you don't know your PRN you can get it from us by phoning 1800 815 886 between 8.00am to 6.00pm, Monday to Friday. Tell us that you need to request a PRN for your SG employer role. Make sure you have your ABN and contact details handy.

Once you have your PRN refer to [How to pay](#) for details on how to make payment.

Note: Only amounts paid toward the SGC identified as eligible for the amnesty and paid before 7 September 2020 will be eligible as a tax deduction.

Example 1: Paying the ATO in full

Sue lodges SG amnesty forms for six quarters after 6 March 2020. The ATO tells her she is eligible for the amnesty for all quarters disclosed.

Sue gets her PRN from the ATO and pays the SGC to the ATO in full.

As a result Sue remains eligible for the benefits of the amnesty. While she still needs to pay the SG shortfall and interest, she is not charged the administration component and is not subject to a Part 7 penalty. Sue can claim a tax deduction for the payments she made before 7 September 2020.

Example 2: Setting up and meeting the conditions of a payment plan

Bob lodges SG amnesty forms for four quarters after 6 March 2020. The ATO tells him he is eligible for the SG amnesty. Bob's total shortfall for all of the quarters is \$30,000.

Bob is unable to pay the entire \$30,000 at the time of lodging the SG amnesty forms. He goes to the ATO website to set up a payment plan. Bob enters into a payment plan to make equal monthly payments to pay the SGC amounts due.

Bob makes all the required payments under the conditions of the payment plan. He therefore remains eligible for the benefits of the amnesty. Bob can

claim a tax deduction for the payments he makes before 7 September 2020.

See also:

- [Help with paying](#)

Avoid losing the benefits of the amnesty

The law has introduced conditions that apply to the ongoing eligibility of the amnesty.

After we advise you are eligible for the amnesty, you will be disqualified and will lose the benefits of the amnesty if you don't:

- pay the SGC amount payable, or
- enter into a payment plan to pay the amount of SGC payable to the ATO, and
- comply with the terms of your payment plan for the SGC amount owing.

If your disclosure is disqualified from the amnesty, we will:

- notify you in writing of the quarter or quarters you have been disqualified for
- charge you the administration component (\$20 per employee per quarter) of the SGC
- apply PS LA 2019/1 to determine whether you should receive a Part 7 penalty
- issue you a notice of amended assessment with the increased amount owing
- continue to work with you through our debt processes to collect the amount outstanding.

In addition, any payments you make for that quarter will not be tax deductible. This is even if you make them before 7 September 2020.

If you are disqualified from the amnesty after having already lodged your tax return and claimed a tax deduction, you will need to [amend your tax return](#).

Example: SG amnesty payment plan

Lucia applies for the SG amnesty for five quarters from 1 January 2016 to 31 March 2017. The ATO tell her she is eligible for the amnesty for all quarters. The amount of SG shortfall and nominal interest she owes is \$500 per quarter – a total of \$2,500.

Lucia sets up a payment plan to pay \$500 a month for five months.

Lucia pays two instalments of \$500 each (\$1,000 in total) which cover the amounts owing for the quarters 1 January 2016 to 30 June 2016.

However, she fails to pay the next instalment in her payment plan. She doesn't renegotiate her payment plan with the ATO. She also misses future instalments.

As a result the disclosures and instalments Lucia pays for, the quarters 1 January 2016 to 30 June 2016, remain eligible for the amnesty. However, the disclosures for 1 July 2016 to 31 March 2017 are disqualified from the amnesty.

The ATO amends the assessments to add the administration component to the quarters disqualified under the amnesty and informs Lucia in writing. Part 7 penalties are also applied to the disqualified quarters and because the disclosure was made before the end of the amnesty period without prompt by the ATO, the penalty can be remitted below 100%.

The ATO continues to work with Lucia through its debt collection processes to collect the remaining amount of SGC she owes to her employees. This is \$1,500 unpaid SG plus the administrative component and general interest charge.

Applications not eligible for the amnesty

If we determine your application is not eligible for the amnesty you:

- will be notified in writing about why your disclosure was not eligible
- will be charged the administration component (\$20 per employee per quarter) of the [super guarantee charge \(SGC\)](#)
- may be charged a [Part 7 penalty](#). A minimum 100% penalty will apply after the amnesty ends if an assessment is made without disclosure or the disclosure is made after notification of an investigation by the ATO. Remission of Part 7 penalties will be determined under PS LA 2019/1.

In addition, any payments of SGC and contributions used to offset SGC will not be tax deductible.

Employee entitlements

When you pay outstanding SG contributions, your employees will receive the following amounts:

- SG shortfall
- nominal interest from the start of the relevant quarter to the date the ATO receives your disclosure
- general interest charge that accrues on the SG shortfall amount until the amount of SGC is fully paid.

Where an employee exceeds the [contributions cap](#) because of these contributions, the Commissioner of Taxation will exercise discretion to disregard the contributions made under the amnesty.

Contributions made under the amnesty will not count towards your employees' income or contributions for [Division 293](#) purposes.

Example: Super contribution cap

Ali works for an office supplies company. The company identifies that it has not paid employees their SG entitlements. They make a voluntary disclosure under the SG amnesty.

The company pays \$5,300 to the ATO which the ATO then pays into Ali's super fund.

Ali contributes some of his own money into super. He is worried the extra \$5,300 will take him over the annual concessional contribution cap of \$25,000.

Ali phones the ATO to find out what to do. The ATO tells him they will ignore the extra contributions for the purposes of the contributions cap. Because Ali's employer included him in their disclosure as part of the amnesty, Ali does not have to do anything. The company's contributions made under the amnesty are not counted towards his contribution cap.

Super guarantee amnesty key dates

Super guarantee amnesty key dates

Description	Dates
Quarters that qualify	1 July 1992 to 31 March 2018
Quarters that don't qualify	Quarter commencing 1 April 2018 onward
Amnesty period	24 May 2018 to 06/09/2020 (see note 1)
No need to apply or lodge again if already notified us of unpaid super	24 May 2018 to 06/03/2020 (see Note 2)
Need to apply for the amnesty on the SG amnesty form to be considered for amnesty	Date of royal assent 06/03/2020 to 07/09/2020 (see Note 1)
Payments of SGC eligible for the tax deduction	24 May 2018 to 07/09/2020 (see Note 1)
Payments of SGC not eligible for tax deduction	Before 24 May 2018 and after the end of the amnesty period 07/09/2020

	(see Note 1)
Minimum Part 7 penalty of 100% (see Note 3) generally have a minimum penalty of 100% applied	From the day after the end of the amnesty period 07/09/2020 (see Note 1)

Table notes:

- Note 1: six months after the day the Amnesty receives royal assent, however as the end date falls on a weekend, employers will have until 11:59PM on 7 September to disclose, lodge and pay under the amnesty.
- Note 2: the day before date of royal assent
- Note 3: minimum part 7 penalty of 100% of the SGC

See also:

- [Super guarantee charge](#)
- [Help with paying](#)
- [Our compliance approach](#)
- [Penalties, amendments and objections](#)
- [Treasury Laws Amendment \(Recovering Unpaid Superannuation\) Bill 2019 and Explanatory memorandum](#)²
- [Extending the SG amnesty to reunite members with unpaid super media release from Assistant Minister for Superannuation, Financial Services and Financial Technology](#)²

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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