



### **What Do You Need To Do To Make Your Business Compliant With Superannuation Requirements For Its Employees?**

**It is your responsibility as an employer to set up your business to pay super into your eligible employees' chosen super funds or their stapled super fund where no choice has been made.**

**If your employee hasn't made a choice and doesn't have a stapled super fund, you can contribute their super to your default super fund.**

**What you need to do:**

- **Select your default super fund**
- **Offer employees a choice of super fund and keep records that show you've done this**
- **Request your employee's stapled super fund details if they do not make a choice**
- **Provide employees' TFNs to their funds**
- **Set up your systems to pay super contributions electronically to the right fund**

**If you pay extra super for an employee:**

- **under a salary sacrifice agreement, you must set up the arrangement for the employees' future earnings, document the arrangement and use a complying fund**
- **you must report the amounts being made to the employee's fund**

## **Salary Sacrifice Agreements**

To create an effective salary sacrifice arrangement, you must:

- set up the arrangement for employees' future earnings
- document the arrangement
- use a complying fund

### **Set Up The Arrangement For Employees' Future Earnings**

The arrangement must be set up for your employee's future earnings. It can't include previously earned or accrued:

- salary, wages or entitlements
- annual or long service leave

### **Document The Arrangement**

You and your employee must prepare and sign a document that states the terms of the salary sacrifice arrangement. If you don't have this documentation, it may be difficult to establish the facts of your arrangement.

Employees can renegotiate the arrangement at any time, within the terms of their employment contract or industrial agreement. If your employee has a renewable contract, you can renegotiate the salary sacrifice amount before the start of each renewal.

### **Use A Complying Fund**

The salary sacrifice amount must be contributed to a complying fund for the period of the arrangement.

Contributions can't be accessed until the employee satisfies a condition of release, such as reaching retirement age.

### **Report The Amounts**

Reportable employer super contributions (RESK) are not included in your employee's assessable income. They do not affect the way you calculate super contributions for your employees.

**The following employer super contributions are reportable:**

- **additional contributions as part of an employee's individual salary package**
- **additional contributions under a salary sacrifice arrangement**
- **pre-tax amounts paid to an employee's super fund at the employee's direction, such as directing an annual bonus into super**

**You must report extra contributions if:**

- **your employee can influence the rate or amount of super you contribute for them; and**
- **the contributions are in addition to the compulsory contributions you must make under**
- **super guarantee**
- **a collectively negotiated industrial agreement**
- **the rules of a super fund**
- **federal, state or territory law**

**The extra contributions are reportable super contributions for employees, unless you show that:**

- **the extra contributions are made for administrative simplicity**
- **a documented policy is in place that does not allow an employee to influence the contributions you make on their behalf**

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