

SUPERANNUATION GUARANTEE



INCREASING TO 12%

The superannuation guarantee (SG) is money paid by an employer to any eligible employee to help grow their super balance for retirement.

Over the coming years, the rate of SG that must be paid will rise until it reaches 12% in the 2025/26 financial year.

You can see the current and future rates of SG in the table below.

| Financial year(s) | Super guarantee (%) |
|--|---------------------|
| 1 July 2022 – 30 June 2023 | 10.5 |
| 1 July 2023 – 30 June 2024 | 11 |
| 1 July 2024 – 30 June 2025 | 11.5 |
| 1 July 2025 – 30 June 2026 and onwards | 12.0 |

WHO IS ELIGIBLE FOR SG?

The SG rate is a compulsory payment set by the government but paid by employers. Most employees are eligible to receive SG as long as they're 18 years of age or older (if you're 18 or under, you need to work at least 30 hours per week). SG is generally paid for full-time, part-time and casual work, including for temporary residents.

There is no upper age limit for receiving SG contributions. As long as you are working and meet the SG eligibility criteria, your employer should continue making these payments for you. (Different rules apply for super contributions that you make for yourself.)

A minimum income threshold of \$450 used to apply to SG, meaning employees needed to earn at least this amount per month before their employer was required to pay super. This threshold was removed on 1 July 2022.

HOW IS SG CALCULATED?

The SG rate is calculated as a percentage of an employee's 'ordinary time earnings' (OTE). OTE includes things like standard hours, shift loadings and bonuses, but doesn't include overtime.

So, for example, if your annual salary is \$50,000, you should receive 10.5% of \$50,000 in SG payments – or \$5,250. (Calculation uses the 2022/23 SG rate.)

If you're an employer paying super for very high income earners, you should also check the 'maximum super contribution base'. This limits the amount of compulsory super you may have to pay. The base changes each financial year.

WANT TO KNOW MORE?

For more detailed information about making or receiving SG payments, visit the Australian Tax Office website at ato.gov.au or call **13 10 20**.



NEED HELP WITH YOUR SUPERANNUATION PAYMENT QUESTIONS? CONTACT US TODAY.

 **1300 360 988**

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Important information:

The material contained in this bulletin is accurate and reliable as at July 2022.

Past investment returns are not a reliable indication of future returns.

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