



**Employer Super  
Resource Guide**  
2020/21



# Welcome to our Employer Super Resource Guide

We're here to help you stay on top of your super obligations and provide great outcomes for your employees, so they can get more of the future they want.

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# A. VicSuper and First State Super merger

## Benefits for members and employers

We're committed to making super easier for you and providing a broader range of products and services to our valued employers and members. We're confident that being part of a larger fund will help you to provide an even stronger superannuation offering to your employees. And, the greater scale will allow us to reduce costs and access a range of investment opportunities for our members.

### What does the merger mean for members?

- Still profit-to-member
  - still putting members first
- A larger fund paves the way for even better outcomes for members
- Shared values mean shared commitment
- A common member heritage
  - and a common future
- Our shared belief in quality advice

We're now one of Australia's largest superannuation funds, managing more than \$125 billion in super savings on behalf of more than 1.1 million Australians. Our collective strength will help enhance our education, advice and retirement solutions and the scope and accessibility of these services in the future.

## B. Our services

### How we work for you

We're here to help you meet your super obligations with personalised support, when you need it.

Our dedicated employer services team are committed to making it easier for you to administer super with our wide range of tools and support.

And we're here for any questions your employees may have about their super, so you can get on with your business.



#### Service that makes a difference

We work side by side with you to help identify and deliver real benefits to your employees



#### In-house administration team

to assist you with your administration



#### Regular newsletters and updates

to keep you up-to-date with super changes and your obligations



#### Annual Employer Update seminars

to keep you informed of super legislation, budget changes & more

## C. Guidance, education & advice for your employees

### Super support and advice for your employees

With our lifetime learning philosophy we aim to add value to our employers businesses and their employees through ongoing workplace support and education.



#### Employee on-boarding and inductions

We'll provide you with a welcome kit, including choice of super form, insurance guide and information about VicSuper for each new employee, so they can make an informed decision about their super. We can attend your induction days to assist your new employees with their super options.



#### Workplace workshops and one-on-one support

We offer your employees convenient workplace access to a one-on-one session with a dedicated member specialist to help them keep their super on track. If your employees contact you with questions about super, salary sacrifice or other super related issues, you can simply refer them to us.



#### Workplace education programs

These have been designed to help build your employees' financial wellbeing and help complement your employee benefits program. Delivered online over five weeks, we can provide your workforce with a flying start toward achieving financial fitness.

#### Get in touch

Email us on **[employer.engagement@vicsuper.com.au](mailto:employer.engagement@vicsuper.com.au)**

## Our advice offering and advice fees for members

We provide members with quality super advice to help members plan for and get more for their future.

Our newly combined fund will have more than 240 financial planners working across the country to deliver quality financial advice to members - advice that can make a genuine difference to your employees' future. Members will be able to access an expanded range of financial planning expertise and capability.

As a profit-to-member fund, we're here to help guide our members to a better future.

For more information on our advice offering, go to **[vicsuper.com.au/advice](https://vicsuper.com.au/advice)**



**Let's help your employees  
achieve better outcomes  
for their future.**

Members can call our advice line to talk to a financial planner on

**03 9667 9200** or visit  
**[vicsuper.com.au/advice](https://vicsuper.com.au/advice)**

## D. Employer obligations

### Choice of Fund

Where employers are required to provide their employees a choice of superannuation fund, a standard choice form must be provided to the employee within 28 days of commencing employment.

#### MySuper and the employer default fund

All employers are required to have a default fund which must offer an APRA approved 'MySuper' product such as the Growth (MySuper) option through VicSuper FutureSaver. Employers should make payments to the nominated default fund until such time as the employee makes a choice.

New employees will need to complete a standard choice form in order for their contributions to be paid to their nominated super fund. Incomplete forms should not be accepted and will need to be returned to the employee for completion.

The latest Superannuation (super) Standard Choice Form can be downloaded from the VicSuper website for default employers or the ATO website for all other employers. Alternatively, you can request a copy by calling **1300 878 737**.

## Standard choice form details

### What you need to do

From 1 July 2020, use the new fund details as shown below when paying super for your employees.

Fund Name:	First State Superannuation Scheme
Superannuation product name:	VicSuper FutureSaver
USI:	53226460365011
Fund ABN:	53 226 460 365
Trustee:	FSS Trustee Corporation
Member numbers:	Employees can refer to their Benefit Statement, welcome letter or call our Member Centre.
Phone number:	<b>1300 366 216</b>
Website:	<b><a href="https://vicsuper.com.au">vicsuper.com.au</a></b>

## D. Employer obligations

### Superannuation Guarantee (SG)

You must use **Ordinary Time Earnings (OTE)** to calculate SG contributions for your employees.

This is irrespective of any awards that your employees are employed under that may have a different earnings base.

Calculate SG with this formula:  
**SG contribution =**  
**OTE x SG contribution rate (9.5%)**

OTE is the total of your employee's earnings in respect of:

- ordinary hours of work
- over-award payments, shift loading, commissions and bonuses
- payments for leave taken.

OTE does not include any payments relating to overtime, payments for leave upon termination or reimbursement of expenses. You are also not required to pay SG on parental and eligible community service leave (such as jury service).

The maximum contribution base in 2020/21 is \$57,090 per quarter.

If an employee earns above that limit for each quarter, you do not have to make contributions for the part of their earnings over the limit.

However, you can or may be required to make super contributions above 9.5% of this amount, which are treated as additional employer contributions.

For more information on OTE, visit the ATO's law website at [ato.gov.au/law](https://ato.gov.au/law) and enter 'SGR 2009/2' in the search box. Alternatively, please contact your account consultant.

#### Exclusions for SG contributions

There are occasions when you are not required to pay SG for your employees. The most common examples are if your employee is:

- paid less than \$450 (before-tax) per calendar month
- under age 18 and working 30 hours or less per week.

## Quarterly SG contribution payment dates 2020/2021

**SG contributions are required to be paid to a complying super fund at least every quarter.**

If the due date for payment falls on a weekend or public holiday, the ATO grants a concession to make the payment by the next business day.

If you miss a quarterly due date, you may be liable for the SG charge. For more information please refer to the ATO website [ato.gov.au](http://ato.gov.au)

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

SG quarter	Due date for payment of SG
1 July – 30 September	<b>28 October</b>
1 October – 31 December	<b>28 January</b>
1 January – 31 March	<b>28 April</b>
1 April – 30 June	<b>28 July</b>

**Note:** Contributions received by the Fund after 30 June will not be shown on your employee's Benefit Statement for that financial year.

Superannuation Guarantee (SG)	SG rate
Financial year 2020/2021	<b>9.5%</b>

Under Government legislation the SG rate will increase to 10% from 1 July 2021, and eventually to 12% from 1 July 2025.

## E. Superannuation: the basics

### Before-tax superannuation contributions

Your employees can make or receive the contributions listed in the following tables (caps apply, see page 12). If you have employees who are ESSSuper members, they can join VicSuper FutureSaver to make salary sacrifice and personal contributions in addition to defined benefit employer contributions paid into ESSSuper.

#### Employer contributions (called 'before-tax contributions') These contributions are calculated on your employee's before-tax salary

Type of contribution	Description	Maximum age that an employee can receive contributions
Superannuation Guarantee (SG)	Currently 9.5% of Ordinary Time Earnings (OTE) See page 5 for details	N/A
Additional employer contributions	Contributions above the SG rate (per award or agreement)	Age 75* unless a higher age limit is stipulated in award or agreement
Salary sacrifice	Contributions in addition to SG by agreement with your employee	Age 75*

\* Employees age 67 and over generally must satisfy the work test, ie be gainfully employed for at least 40 hours over a consecutive period of no more than 30 days during the financial year in which the contributions are made. Employees who satisfy the work test and choose to make additional contributions may do so until age 75. Final contributions must be received by the Fund within 28 days from the end of the month in which your employee turns age 75.

## After-tax superannuation contributions

**Employee contributions (called 'after-tax contributions')** These contributions are paid from your employee's after-tax salary

Type of contribution	Description	Maximum age that an employee can receive contributions
Personal contributions	Additional regular or once-off payments	Age 75*
Eligible spouse contributions	Paid by a member's spouse on their behalf; cannot be made through payroll	Age 74* for the receiving spouse

\* Employees age 67 and over generally must satisfy the work test, ie be gainfully employed for at least 40 hours over a consecutive period of no more than 30 days during the financial year in which the contributions are made. Employees who satisfy the work test and choose to make additional contributions may do so until age 75. Final contributions must be received by the Fund within 28 days from the end of the month in which your employee turns age 75.

# E. Superannuation: the basics

## Government co-contribution

Employees who make after-tax personal contributions into their super account may be eligible for a government co-contribution of up to \$500 pa.

To be eligible for the government co-contribution for the 2020/21 financial year, they need to:

- earn less than \$54,837 pa (assessable income plus total reportable super contributions and reportable fringe benefits)
- make a personal contribution between 1 July 2020 and 30 June 2021
- earn at least 10% of their gross total income from operating a business or as an employee or both

- not be the holder of a temporary visa at any time during the financial year (unless they are a New Zealand citizen)
- be less than age 71 at the end of the financial year
- lodge an income tax return for the financial year.

In addition, members need to:

- have a total superannuation balance of less than \$1.6 million at 30 June 2020
- not exceed the non-concessional (after-tax) contributions cap in the 2020/21 financial year.

The maximum co-contribution reduces for every dollar of income over \$39,837 pa, phasing out

completely if their total income exceeds \$54,837 pa.

The ATO will match information from your employees' tax returns with information provided by the Fund to determine eligibility.

If eligible, the co-contribution will be paid into your employees' super accounts during the 2021/22 financial year (usually from December) and will be preserved until they meet a condition of release.

You can download a detailed *Boost your super* guide from [vicsuper.com.au/publications](https://vicsuper.com.au/publications) or call our Member Centre on **1300 366 216** to request a copy.

## Contribution caps

Contributions made into super on behalf of employees under age 75\* are 100% tax deductible to employers (except for SG payments made after the quarterly due dates).

This table summarises the contribution caps which apply to before-tax (also known as concessional) and after-tax (also known as non-concessional) contributions. These caps have tax implications for super fund members (ie your employees) based on the date the contribution was received by the fund.

	Types of contributions	2020/21 contributions cap
Before-tax contributions	Superannuation Guarantee (SG)	\$25,000 pa**
	Additional employer contributions	
	Salary sacrifice	
	SG received via the ATO	
	Personal deductible contributions	
After-tax contributions	Personal contributions	\$100,000 pa or if employee is under age 65, \$300,000 over three years^
	Eligible spouse contributions	
Others	Rollovers	Not counted towards the contribution caps
	Government co-contribution	
	Low income super tax offset (LISTO)	

^ Subject to conditions

\* Contributions made into super on behalf of employees age 75 and over are deductible to the extent the contribution is mandated under SG legislation or an award or agreement.

\*\* You may be able to carry forward your unused concessional contributions cap amounts up to 5 years and also may be able to utilise any prior year unused cap to contribute above this limit (if available).

## E. Superannuation: the basics

### Before-tax contributions

Before-tax (often called concessional) contributions generally include SG contributions, any salary sacrifice contributions and personal deductible contributions. The annual concessional contributions cap applies across all super accounts any employee may have.

These contributions are taxed at a low rate of 15%, however for individuals who have an adjusted taxable income of \$250,000 or over, these are generally taxed at 30%.

Any before-tax contributions over the cap are taxed at your employee's marginal rate plus an interest charge.

SG and salary sacrifice contributions received from multiple employers will count towards the annual concessional contributions cap, as will any bonus payments that your employees may decide to salary sacrifice. Before-tax contributions and 'notional employer contributions' to defined benefit funds such as some ESSSuper schemes will also count towards the concessional contributions cap.

This would need to be factored into any salary sacrifice considerations as the concessional contributions cap will apply to both types.

Please note that special rules may apply to defined benefit employees.

If a super fund does not have your employee's TFN, before-tax contributions will generally be taxed at the top marginal tax rate plus the Medicare levy.

### Personal deductible contributions

All members (including employees and self-employed) may be able to claim a tax deduction for their personal contributions, subject to age, work test and other conditions.

If these personal contributions are claimed as a tax deduction, they are treated as before-tax contributions.

## After-tax contributions

After-tax (often called non-concessional) contributions include contributions made through payroll from an employee's after-tax salary.

Employees under age 65 and with a total super balance of under \$1.6 million at 30 June of the prior year, may be able to bring forward up to two years of entitlements, equalling a cap of up to \$300,000 over three years.

If an employee's total super balance is greater than or equal to \$1.6 million at 30 June of the prior year, then their non-concessional cap is nil for a financial year.

There may be tax implications if your employees exceed the cap.

It's the employee's responsibility to manage cap balances. If an employee queries this, advise them to seek financial advice.

Your employees can contact our advice team on **03 9667 9200** to discuss a range of super topics.

Please note your employee's TFN must be provided for a super fund to accept after-tax contributions.

# E. Superannuation: the basics

## Tax on superannuation

### Tax on entry and investment earnings

When contributing into super, employer contributions are generally taxed at the concessional rate of 15%. Individuals with an adjusted taxable income over \$250,000 pa generally have their employer contributions taxed at an effective rate of 30%. These include SG, additional employer and salary sacrifice contributions. After-tax contributions are tax-free.

Investment returns in super are only taxed up to a maximum of 15%.

Additional tax may apply if your employee's TFN is not provided. You are required by legislation to pass on your employee's TFN to their super fund.

### Tax on withdrawals

Withdrawals from super are tax-free from age 60\*. The taxable component of withdrawals made before age 60 may be subject to tax.

Tax components	Tax treatment 2020/21
<b>Tax-free component</b>	No tax payable
<b>Taxable component - taxed element</b> Under preservation age	20% plus Medicare levy
Preservation age to 59	
- up to \$215,000	No tax payable
- above \$215,000	15% plus Medicare levy
Age 60 and over	No tax payable (provided the lump sum is withdrawn from a taxed superannuation fund)

\* Subject to satisfying a condition of release.

## Marginal tax rates

This table shows the individual marginal rate thresholds and tax rates for the 2020/21 financial year.

Income level	Marginal tax rate	Tax payable
\$18,200 and below	<b>Nil</b>	Nil
\$18,201 to \$37,000	<b>19%</b>	19c for each \$1 over \$18,200
\$37,001 to \$90,000	<b>32.5%</b>	\$3,572 plus 32.5¢ for each \$1 over \$37,000
\$90,001 to \$180,000	<b>37%</b>	\$20,797 + 37¢ for each \$1 over \$90,000
\$180,001 and over	<b>45%</b>	\$54,097 + 45¢ for each \$1 over \$180,000

**Note:** Medicare levy of 2% is generally payable in addition to the rates above.

## F. Contribution and payment obligations

### We require all contribution payments to comply with SuperStream legislation.

Under SuperStream legislation employers are required to:

- make contribution payments electronically
- include mandatory SuperStream data required to manage your employees records.

We provide three payment options for you to make contributions direct to us on behalf of your employees:

- user-initiated direct debit
- Electronic Funds Transfer (EFT)
- BPAY® for employers.

You can use **EmployersOnline** to facilitate all electronic contribution payments.



**Need more information?**

For more information about EmployersOnline contact us on **1300 878 737**.

## Data requirements

It's important to keep your employees contact details up to date so they receive important information from us. With more members accessing our services online and moving to electronic statements, we're finding the best way to communicate with members is via email.

To help us keep in touch with our members, we'll need:

- full name
- residential address
- Tax File Number (TFN)
- personal or mobile phone number
- personal email address.

The easiest way to provide this information to us is in your contribution submission via **EmployersOnline**.

# G. We're here to help

## Your dedicated employer support team

Our dedicated team are here to make super easier for you and your business with our in-house administration team to provide support when you need it.

### Get in touch

**1300 878 737**

Mon-Fri 9:00am - 5:00pm



### Need more information?

Visit [vicsuper.com.au/employers](https://vicsuper.com.au/employers) for information on everything that you need to know.

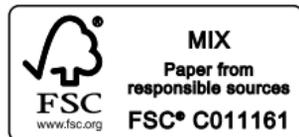


### Forms & publications

Here's where you'll find useful forms and guides to assist you with administering your super obligations.

Visit [vicsuper.com.au/employerforms](https://vicsuper.com.au/employerforms)

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All information in this guide applies to 2020/21 and is correct at the time of print.

**Call our Employer  
Help Desk  
1300 878 737**

**Browse our website  
vicsuper.com.au**

**Call our Member Centre  
1300 366 216** and speak  
to a VicSuper superannuation  
consultant

**Write to us**  
VicSuper  
GPO Box 89  
Melbourne VIC 3001



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