



**VicSuper**  
Get Super Active

# Employer Super Resource Guide

2019/20



# Welcome to VicSuper's Employer Super Resource Guide

We're here to help you stay on top of your super obligations and help your employees get more of the future they want.

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# A. Our services

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.



## **Personalised support**

every step of the way to make it easier for you to fulfil your super obligations



## **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

## B. Education & advice for your employees

As your super business partner, we offer more than just super support.

We've created a truly comprehensive workplace education service, at no extra charge. It's all part of the value we offer to you.



### 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

Call **9667 9265** or email us on **[employer.engagement@vicsuper.com.au](mailto:employer.engagement@vicsuper.com.au)**

## B. Education & advice for your employees

### Ongoing advice for members

We offer a range of advice services with qualified financial planners. Personal advice can be given face-to-face at 1 of our 19 offices across Victoria or over the phone. We also offer members a comprehensive advice service on super and non-super topics. Our award-winning advice service<sup>\*</sup> is commission-free and is available to both members and non-members.

Our advice is usually at no extra charge for VicSuper members and only \$300 for non-members. Fees are payable for certain types of personal advice and our comprehensive advice service.

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



**Let's get your employees more of the future they want.**

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)

\* Awarded Best Advice Offering by Conexus Financial in March 2018. Awarded Member Services Fund of the Year 2017, 2018 & 2019 by Conexus Financial. The Conexus Financial Superannuation Awards are determined using proprietary methodologies. Awards are solely statements of opinion and do not represent recommendations to purchase, hold, or sell any securities or make any other investment decisions. Ratings are subject to change.

## C. 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**.

## C. Employer obligations

### Standard choice form details for VicSuper

Fund name:	VicSuper
Account name:	VicSuper FutureSaver
Unique superannuation identifier (USI):	85977964496001
ABN:	85 977 964 496
Member number:	Employees can refer to their VicSuper 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>



# 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 2019/20 is \$55,270 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](http://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.

## C. Employer obligations

### Quarterly SG contribution payment dates 2019/2020

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 VicSuper after 30 June will not be shown on your employee's Benefit Statement for that financial year.

Superannuation Guarantee (SG)	SG rate
Financial year 2019/2020	<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.

## Single Touch Payroll (STP)

Single Touch Payroll (STP) is a new way of reporting tax and super information to the ATO, where most employers need to send their employees' tax and super information to the ATO each time they run their payroll and pay their employees. Most employers are now required to be reporting each pay event to the ATO.

Employers are not required to provide employees with an end-of-year income statement (payment summary or group certificate) once they begin STP reporting. This information is available online for employees or from their tax agent. We recommend that you communicate this change to your employees.

**Your employees' income statement will be available in myGov**

Employees can view their year-to-date tax and super information online at myGov. If your employees do not have a myGov account, they will need to create one to view their income statements.



**Need more information?**

For more information on what STP means for employers and your employees, visit the **[ato.gov.au](https://ato.gov.au)**

## D. Superannuation: the basics

### Before-tax superannuation contributions

Your employees can make or receive any of 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 65 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 VicSuper 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 70* for the receiving spouse

\* Employees age 65 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 VicSuper within 28 days from the end of the month in which your employee turns age 75.

## D. 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 2019/20 financial year, they need to:

- earn less than \$53,564 pa (assessable income plus total reportable super contributions and reportable fringe benefits)
- make a personal contribution between 1 July 2019 and 30 June 2020
- 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 2019
- not exceed the non-concessional (after-tax) contributions cap in the 2019/20 financial year.

The maximum co-contribution reduces for every dollar of income over \$38,564 pa, phasing out

completely if their total income exceeds \$53,564 pa.

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

If eligible, the co-contribution will be paid into your employees' super accounts during the 2020/21 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	2019/20 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 <sup>^</sup>
	Eligible spouse contributions	
Others	Rollovers	Not counted towards the contribution caps
	Government co-contribution	
	Low income super tax offset (LISTO)	

<sup>^</sup> 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.

## D. 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 employees may have.

These contributions are taxed at a low rate of 15%, however for individuals who have an adjusted income of \$250,000 or over, these are 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 tests 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 includes after-tax contributions made through payroll.

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 two years of entitlements, equalling a cap of \$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, in most cases at no extra charge for VicSuper members.

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

## D. Superannuation: the basics

### Tax on superannuation

#### Tax on entry and investment earnings

When contributing into super, employer contributions are taxed at the concessional rate of 15%. Individuals with an adjusted 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 2019/20
<b>Tax-free component</b>	No tax payable
<b>Taxable component</b>	
Under preservation age	20% plus Medicare levy
Preservation age to 59	
- up to \$210,000	No tax payable
- above \$210,000	15% plus Medicare levy
Age 60 and over	No tax payable (provided the lump sum is withdrawn from a taxed fund such as VicSuper Fund)

\* Subject to satisfying a condition of release.

## Marginal tax rates

This table shows the individual marginal rate thresholds and tax rates for the 2019/20 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.

## E. Contributing to VicSuper

### Contribution and payment obligations

VicSuper requires 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**.

## F. 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 2019/20 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

**Advice centres**  
Ballarat | Bendigo | Blackburn  
Geelong | Melbourne | Traralgon  
Monday to Friday  
8.30am to 5pm



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