



FACTSHEET

SUPERANNUATION CHANGES AFFECTING YOU AND YOUR BUSINESS

The Federal Government has announced the much anticipated changes to superannuation. If you run a business, find out what the changes to superannuation mean for you and your business.

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Superannuation Rate Change From 9% to 9.25%

As announced in the 2012-2013 Federal Budget, the Government will be incrementally increasing the Superannuation Guarantee rate over the next 7 years to a rate of 12%.

For the payroll year commencing 1st July 2013, the Super Guarantee rate will increase by 0.25% to 9.25%. If you were making super payments at the minimum superannuation rate of 9% you need to adjust your payments to the new rate from 1 July 2013.

Year range	Super Rate
2012 - 2013	9%
2013 - 2014	9.25%
2014 - 2015	9.5%
2015 - 2016	10%
2016 - 2017	10.5%
2017 - 2018	11%
2018 - 2019	11.5%
2019 - 2020	12%

Superannuation Guarantee 70+ year old employees

You may be aware of the laws about how much super you pay your employees. This is generally known as the Superannuation Guarantee.

Currently, it is not mandatory for a business to pay 9% Superannuation Guarantee to an employee who has reached the age of 70+. From 1st July 2013, this restriction has been removed and super guarantee is now payable. This means that there will no longer be a maximum age limit for paying super for an employee.

Superannuation On My Pay Slips

In September 2011, the Government announced a sweeping superannuation reform known as Stronger Super. Some facets of Stronger Super have been implemented, others are in progress but some will take several years before they are completed. Stronger Super is moving superannuation into an electronic era. From 1st July 2014, a business will not be able to pay their super obligation by cheque. It must be paid electronically via BPay, Direct Credit or Direct Debit. Along with the payment of electronic funds, the super fund will also receive electronic information on the payer.

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The Government announced that from 1st July 2012, "Super on Pay Slips" will benefit workers as they will get better information about when their super is being paid, as employers would disclose these dates on their pay slips. However the Government has not yet provided requirements to the ATO for employers to administer the new change. This means, at present, there is no legal requirement to show super payments dates on pay slips.

MySuper Replaces Default Super Accounts

MySuper is a special fund type which will become the norm by July 2017. From 1st Jan 2014, unless an employee selects a different fund, all employers must pay the Super Guarantee Charge contributions (9.25%) to a MySuper fund.

In 2017, if a fund is not deemed as MySuper, the monies must be rolled over into a MySuper fund.

MySuper was introduced as the Government expects the following;

- > A new simple, cost effective default super product
- > Improve the simplicity, transparency and comparability of default superannuation products
- > MySuper will have a number of features designed solely with the interests of members in mind
- > Anticipated up to 40% decrease in super fees
- > All APRA regulated MySuper funds must provide life, total and permanent disability on an opt out basis.

Check with your current default fund to see whether they will be offering a MySuper account.