

ARROWHEAD TAX ACCOUNTANTS

Education Series

Employer Obligations - Superannuation for Employees

As of 1 July 2022, the rate of superannuation payable to employees is 10.5% an increase from 10 %. Employee superannuation will progressively increase to the Government's policy of 12 % from 1 July 2025. The next increase to 11 % is required on the 1 July 2023.

A point of note is that the prior legislative requirement to pay superannuation once an employee earns over \$450 per month is now amended to every \$1 of earnings of an employee generates removing the \$450 threshold. The only exception to this to rule is if your employees are under 18 years of age and, work less than 30 hours per week, superannuation will be payable on all earnings.

It is imperative that employees adhere to their reporting obligations with the Australian Taxation Office to avoid the requirement to lodge a Superannuation Guarantee Charge statement and avoid additional surcharges on the late payment of employee superannuation.

Source: Australian Taxation Office March 2023

Disclaimer: The contents of this paper are for general information only. They are not intended as professional advice, for this you should contact a suitably qualified accountant or other professional. The tax law and ATO position on these matters may be subject to both prospective and retrospective changes.

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