

# What is the superannuation guarantee?

The superannuation guarantee (SG) is superannuation legislation that requires your employer to provide a minimum level of superannuation support for you. If you are eligible, your employer is obliged to contribute a minimum of 9% of your salary (on a maximum of \$40,170 earnings per quarter) to a complying super fund or retirement savings account (RSA).

From 1 July 2008, employers must use ordinary time earnings (OTE) to calculate your SG contributions. OTE usually includes any allowances and commissions, but excludes overtime.

SG contributions must be made on your behalf at least every quarter, by the 28th day of the month following the end of the quarter (ie. by 28th July, 28th October, 28th January and 28th May), for as long as you are eligible.

## Are you eligible to receive SG?

If you are employed, your employer should make SG contributions on your behalf unless you are exempt under a range of criteria specified by law. The most common of these criteria include if you:

- > earn less than \$450 in a calendar month (you must be paid SG for those months where you do earn more than \$450);
- > are under 18 and working part time (less than 30 hours a week);
- > are over age 70;
- > are a non-resident employee paid for work done outside Australia;
- > are a resident employee paid by a non-resident employer for work done outside Australia;
- > are an employee paid to do work of a domestic or private nature for less than 30 hours a week. For example, a part-time nanny or housekeeper; or
- > are a member of the Army, Navy or Air Force Reserve.

## Award-prescribed contributions count for SG

If your employer is obliged under an industry award or workplace agreement to pay contributions to super on your behalf, then those contributions count towards the SG contribution level of 9%. For example, if your terms of employment are that your employer pays 3% of your salary to the XYZ Super Fund, then your employer needs only to pay an additional 6% to that fund or another fund to meet the total obligation of 9% of your earnings.

## Protection for defined benefit members

If you are a defined benefit member, your benefit includes a formula for determining whether your final benefit meets the minimum SG requirements. This is described on your annual benefit statement. If you have any queries about SG and your defined benefit account, you can contact our Helpline.

For information on tax applied to SG contributions, please refer to *Fact Sheet #18*.

## Can I choose where I have my SG contributions paid?

Whether you can choose which fund your SG contributions are paid depends on your employer. You should check with your employer to determine whether or not Choice of Fund applies to you.

This brochure is for general information only. It has been prepared without taking into account your personal objectives, financial situation or needs. You should consider whether this information is appropriate to your personal circumstances before acting on it and, if necessary, seek professional financial advice. If you are considering investing in the Equipsuper Superannuation Fund ABN 33 813 823 017, you should read the appropriate Equipsuper Product Disclosure Statement (PDS) before making an investment decision. You can obtain a PDS via our website or by contacting the Helpline.

The taxation information included in this brochure is a general guide only. As taxation laws are complex and individual circumstances vary, you should seek individual taxation advice from a qualified advisor.

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