

## **REPORTABLE EMPLOYER SUPERANNUATION CONTRIBUTIONS WHAT IT MEANS TO YOU AS AN EMPLOYER?**

As we previously announced, from 1 July 2009, there is an additional obligation to report superannuation payments made to employees.

For the 2009 – 10 income year and all future years, if you, as an employer, make super contributions under a salary sacrifice arrangement or extra super contributions to a super fund for an employee, you may need to report those contributions on your employee's payment summary.

These contributions are called **Reportable Employer Super Contributions (RESC)**.

Reportable employer super contributions are not included in calculation of your employee's assessable income. However:

- you, as an employer, must report them to the ATO as part of your payment summary reporting;
- your employees must report them to the ATO in their income tax return.
- contributions are included in the income tests for the following benefits and obligations:
  - Medicare levy surcharge threshold calculation;
  - Medicare levy surcharge (lump sum payment in arrears) tax offset;
  - All dependant tax offsets
  - Senior Australians tax offset
  - Pensioner tax offset
  - Mature age worker tax offset
  - Spouse super contributions tax offset
  - Super co-contributions
  - Deduction for personal super contributions
  - Higher Education Loan Programme (HELP) and Student Financial Supplement Scheme (SFSS) repayments.
- contributions will affect a range of Centrelink and Child Support benefits and obligations:
  - Families customers who receive Baby Bonus Child Care Benefit or Family Tax Benefit;
  - Income support customers under age pension age who receive Abstudy, Austudy, Bereavement Allowance, Carer Payment, Disability Support Pension, Low Income Health Care Card, Newstart Allowance, Parenting Payment Partnered, Parenting Payment Single, Partner Allowance, Sickness Allowance, Special Benefit, Widow Allowance, Window B Pension, Wife Pension or Youth Allowance;
  - Dependent youth, students and apprentices who receive Abstudy Living Allowance, Assistance for Isolated Children Scheme or Youth Allowance.

Employers must keep records in enough detail to:

- report each employee's reportable employer super contributions in your payroll, reporting and record keeping systems
- provide accurate information to your employees if they ask about their reportable employer super contributions.

**Reportable employer super contributions are those contributions you make for an employee where all of the following apply:**

- your employee influenced the rate or amount of super you contribute for them, i.e. the employee will be taken to have influenced the amount of the contributions where they can directly negotiate or have an option to directly negotiate an employer super contribution in excess of the compulsory contributions that must be paid.
- Contributions are additional to the compulsory contributions you must make under any of the following:
  - super guarantee law
  - an industrial agreement
  - the trust deed or governing rules of a super fund
  - a federal, state or territory law.

New payment summaries will be available for the 2009 – 10 income year. They will include a label to show reportable employer super contributions.

You must include all reportable employer super contributions you make for an employee on their payment summary. Anyone with a reportable employer super contribution amount must be issued with a payment summary.

If you make reportable super contributions, you must provide them with a payment summary even if you have not paid them salary or wages.

If the payment of reportable employer super contributions is paid by one of your associates, a payment summary is still required to be issued. The payment summary must be issued by your associate.

To discuss or book a training session for your bookkeeper to ensure compliance, please call us on 03 9578 3733.