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Paying super



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This booklet outlines your employer super obligations and how to meet them.

More than 135,000 employers in Australia trust HESTA with their employees' super.

We invest in and for people who make our world better. We help more than 1 million members face the future with confidence, managing over \$89 billion* in assets.

We're a gutsy advocate for a fair and healthy community; and we deliver investment excellence with impact.

We'll work with you to make managing super easy. And we'll share the insights and knowledge we've gained through more than 35 years of supporting employers.

*As at 13 November 2024.

01

Paying super

If your organisation has employees, you need to pay the Superannuation Guarantee or 'SG'. The SG is a compulsory super payment you make on behalf of your eligible employees. This payment is made directly into their chosen super fund.

Does everyone get paid super?

All employees must be paid an SG contribution unless they are under 18 years old and work less than 30 hours per week. You should visit the Australian Taxation Office (ATO) website to find out more information about whether you should be paying super.



How much super do I need to pay?

The amount you need to pay is a percentage of each employee's wage. The Federal Government sets this percentage and it's currently 11.5%. It is scheduled to increase to 12% on 1 July 2025. To work out the amount of super you need to pay each of your employees, you need to calculate 11.5% of their wage. When you do this, make sure you include all payments your employees earn for the hours they work. This is known as Ordinary Time Earnings.

What are Ordinary Time Earnings (OTE)?

OTE is generally what your employees earn for their normal hours of work and also includes:

- over-award payments
- certain bonuses
- paid leave
- certain allowances
- commissions
- shift loading
- annual leave loading.

How do I calculate super payments for my staff?



Ordinary Time Earnings (OTE)
per calendar month



SG percentage
(currently 11.5%)



Employer super contribution



Example

Anne earned \$4,000 in a month, including \$500 in overtime.

Anne's Ordinary Time Earnings are \$3,500.

So Anne's super payment for the month is:

\$3,500 x 11.5% = \$402.50

You should know

There are payment types that are not considered OTE, such as overtime and parental leave payments.

Visit ato.gov.au/super



02

When to pay your employees' super

Most organisations prefer to save time where possible and process their eligible employees' super payments at the same time as they pay their wage. You can pay super weekly, fortnightly, monthly or quarterly – although you must pay super at least quarterly.*

So what happens if I miss the due date?

If you miss the due date you'll have to pay a fine to the ATO. This is called the Superannuation Guarantee Charge. Unlike super payments, this charge is not tax-deductible and there is nothing we can do to prevent it except give you this tip: **don't miss the due date!** On top of that, directors of companies can be held personally liable for the penalties.

Quarterly super due dates

Q1 1 Jul - 30 Sep  Oct 28	Q2 1 Oct - 31 Dec  Jan 28
Q3 1 Jan - 31 Mar  Apr 28	Q4 1 Apr - 30 Jun  Jul 28

* From 1 July 2026, employers will be required to pay their employees' super at the same time as their salary and wages. Note: this measure is not yet law.





03

How to make super payments

Meeting your obligations

SuperStream is the way all employers must pay employee super guarantee contributions to super funds. With SuperStream, money and data are sent electronically in a standard format.

You can find out all about your obligations under SuperStream including payment methods and how to collect and keep safe employee information at ato.gov.au/superstream

How do I pay my employees' super?

You can make super contributions to HESTA for your employees using a SuperStream compliant clearing house such as QuickSuper. It's a simple and secure online platform for managing all your super payments that's free to use for HESTA employers.

Before you start - what you'll need

Have the following handy. It makes the job faster and easier, so you can get on with other things:

- your HESTA employer number
- employee name, address, date of birth and tax file number
- payment amounts to employees (including all payment types, e.g. SG or higher agreed amount, salary sacrifice and member after-tax contributions)
- employee HESTA member number or unique payroll ID
- payroll period start and end date.

You can find out more information about how to make payments and QuickSuper at hesta.com.au/making-payments

What about reporting tax and super information to the ATO?

The way employers report some tax and super information is streamlined through Single Touch Payroll (STP). With STP, salary and PAYG withholding amounts will automatically be reported to the ATO when you pay your employees.

* QuickSuper is a facility offered by Westpac Banking Corporation, ABN 33 007 457 141 Australian Financial Services Licence Number 233714. HESTA incurs a fee for use of QuickSuper, but no cost is passed on to HESTA employers for use of the facility.

04

Your employees can choose where their super is paid

Most employees can choose the fund their employer pays their super into.

This means you must give new employees the *Superannuation standard choice* form within 28 days from when they start work. You can get copies of the *Superannuation standard choice* form from the ATO or your default super fund. If an employee doesn't return a choice of fund form, you must contact the ATO to see if the employee has an existing fund. If they have an existing fund, this will be their 'stapled' account and their super must be paid into that account.

If no account is found and the employee hasn't chosen a fund, you can create a new account for them with your default super fund.

For more information about stapling, visit ato.gov.au/business

Remember, while you might have the best of intentions, you must not give your employees advice about which fund they should choose. By law, you must be a licensed financial adviser to provide guidance about choosing a super fund.





05

The default fund rules

What's a default fund?

A default fund is the super fund you pay your employees' super into if they don't choose their own fund and do not have a stapled super fund.



How do you choose a default fund?

In your job, you make lots of important decisions every day. Choosing a default fund is one of those. The fund you choose must have a MySuper authorised product.

Need to choose a fund?

Below are some things to consider :

- is it an industry – profit to member – super fund?
- does it make super administration easy?
- does it have a history of strong, long-term performance?
- does the fund provide employee education?
- how does the fund provide a great member experience?
- does the fund match the values of your organisation?

To learn about the benefits of choosing HESTA, visit hesta.com.au/employers

I have chosen a default fund, now what?

Simply let your employees know and provide them with the *Superannuation standard choice* form, available from the ATO.

Once completed, keep the form on file with your employee records.



06

Record keeping & tax file numbers

You need to keep records to show:

- the amount of super you've paid each of your employees
- how you calculated that amount
- you've offered eligible employees a choice of super fund, such as proof that you've provided your employees with the *Superannuation standard choice* form.

These records must:

- be written in English (or in a format that can easily be translated into written English)
- be kept for five years
- be capable of being reproduced if they are electronic records, so software must be available to access older USBs, CDs and computer records.

Reporting tax file numbers (TFN)

- When an employee gives you their TFN, you're required by law to provide it to their super fund within 14 days.

For more information about your record-keeping obligations visit ato.gov.au/business

Interested in choosing HESTA as your default fund?

We're here to make your life easier, to partner with you to help your employees face the future with confidence.

We know that choosing a default fund for your employees is a big decision. If you'd like to chat with a HESTA representative, give us a call on **1800 813 327**.



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