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Super Increase and Payroll

Super Increase - Getting Payroll Correct

When processing a payroll be mindful the latest 10% rate is applied to Ordinary Times Earnings amounts paid **after** 1st July 2021, **irrespective of when those amounts accrued**.

If a payroll is paid after the 30th of June 2021 then the whole amount for that period (even if some of the payroll period is in the month of June) will incur the 10% super increase. Do not use both rates.

When Amounts are Accrued

- The 9.5% rate applies to OTE/salary paid up to 30th June 2021.
- The new 10% rate will apply to OTE/salary amounts paid from 1st July 2021.

Super Guarantee Contributions Act Section 19 stipulates that SG is payable on **payment date** rather than earned date.

Quarterly salary or wages base, for an employer in respect of an employee, for a quarter means the sum of:

- a. the total salary or wages paid by the employer to the employee for the quarter; and
- b. any sacrificed salary or wages amounts of the employee for the quarter in respect of the employer.

For more information: <u>Superannuation Guarantee (Administration) Act 1992</u> (legislation.gov.au)