

Your Super and You



CONTRIBUTION GUIDE FOR MEMBERS – JULY 17

Superannuation is an investment strategy designed to help you save for your retirement. Depending on your circumstances, the more money you are able to contribute to your super over the course of your working life, the more comfortable your retirement will be. The Commonwealth Government encourages this objective by giving superannuation considerable tax advantages compared to other forms of saving. However in return, superannuation funds and their members must comply with strict conditions.

For most people, super begins when you start work and your employer starts paying super for you. If you are self-employed, you can choose whether and when to contribute super for yourself.

Entitlement to Super

If you are an employee, you are typically entitled to compulsory super contributions from your employer. From 1 July 2014, these super guarantee contributions must be at least 9.5% of your ordinary earnings, up to the 'maximum contribution base'. Generally, you are entitled to super guarantee contributions from an employer if you're:

- 18 years old or over, and
- Paid \$450 or more (before tax) in a month
- If you are under 18 years, you must work more than 30 hours per week to be entitled to super contributions



Hint – It doesn't matter whether you are full time, part time or casual, or if you're a temporary resident of Australia.

Your employer is not required to make super contributions if you're:

- Paid to do work of a private or domestic nature for 30 hours or less each week
- A non-Australian resident and you're paid to do work outside Australia
- An Australian resident paid by a non-resident employer for work done outside Australia
- A senior foreign executive on a certain class of visa, or
- Temporarily working in Australia for an overseas employer and are covered by the super provisions of a bilateral social security agreement.



Care – Not sure if your employer has paid your super?

Use the ATO '**Estimate my super tool**' - <https://www.ato.gov.au/calculators-and-tools/estimate-my-super/> to estimate how much super guarantee your employer should have paid for you.

- Talk to your employer. Who are they paying, When next, and how often are they paying super on your behalf?
- Check in with your super fund. Register for Member Online, view your account transactions, and current view member statement
- Create or use your existing ATO myGov account to access online services and check on your super <https://my.gov.au/LoginServices/main/login?execution=e1s1>
- Lodge an enquiry with the ATO <https://www.ato.gov.au/calculators-and-tools/report-unpaid-super-contributions-from-my-employer/>

Choice of fund

Choice of Fund is about your right to choose which superannuation provider looks after your super.

As an employee, if you elect to make a choice you are responsible for providing your new employer with these details within a reasonable time (usually 28 business days) of commencing your employment providing:

- The name of the fund, confirmation that the fund is a complying superannuation fund and can accept contributions; (Ask us for a Choice of fund form and/or Certificate of Compliance, and).
- The relevant account number and available contribution methods and payment information.



Hint - Enter your details in the Choice of fund form in the Super tab of Member Online and print out, it will provide your Member No, as well as the fund USI and certificate that Enterprise Plan is a complying fund.

If you do not provide this information to your employer, your employer is not required to make payments to your chosen super fund. To meet its super payment obligations, your employer will instead choose a default super fund to contribute to on your behalf.



Care – Depending on your employer, you may not be eligible to choose the super fund you want your super guarantee contributions into. Some employees may be exempt from the Choice of Super Fund rules, including employees covered by:

- A Workplace Agreement or a Certified Agreement under the Workplace Relations Act 1996; or
- A State award of industrial agreement, or where you are in a
- Particular type of defined benefit fund, or have already reached a certain level of benefit in that super fund.

For most other employees who are not covered by these agreements or awards, employers must comply with the legislation, and provide you with 'choice of super'. Further details and some additional exemptions can be found on the Australian Tax Office's website www.ato.gov.au



Hint - You should provide your tax file number (TFN) to your employer and super fund. If not, your super fund may take extra tax out of your super contributions and will not be able to accept any non-employer contribution.

Types of super funds

- Industry (Workplace) super funds: These funds are sometimes open to everyone (a public fund). Otherwise, they only become available if you work in a particular industry or under a particular industrial award and your employer signs up as a sponsoring employer with the industry super fund.
- Retail super funds: These funds are run by financial institutions and are generally public funds and open to everyone.
- Corporate super funds> these funds are generally only open to people working for a particular employer or corporation. They may offer defined benefit funds to their members.
- Public Sector funds. These funds are generally open to Commonwealth, state and territory government employees. Public sector employers may offer defined benefit funds and constitutionally protected funds (CPFs) to their members.
- Self-managed super funds (SMSFs): SMSFs work like any other super fund, but the responsibility of managing them, including their investment decisions and legal responsibilities) rests solely with the trustee (you). Establishing and operating an SMSF is a major decision and you should first discuss your personal circumstances with a qualified professional.

Contribution types

Concessional contributions are pre-tax contributions typically paid by your employer, and are concessionally taxed (in comparison to personal marginal tax rates) upon entry to your super fund.

Non Concessional contributions are after- tax contributions paid by yourself or your spouse. They attract no tax on entry to your super fund.

Concessional contributions	
Super guarantee contributions	Contributions your employer is required to pay to your superannuation. Refer to the above table to confirm whether you are eligible to receive Super Guarantee contributions.
Salary sacrifice contributions	If agreed with your employer you can elect to make additional pre-tax super contributions in exchange for a reduction in your gross salary. Salary sacrificing reduces your assessable taxable income, and may have taxation benefits.
Award employer contributions	Your employer may be required to pay contributions under an agreement or award certified by an industrial authority. Award contributions may count toward meeting Super Guarantee contributions.
Other employer contributions	Your employer may make additional pre-tax contributions in addition to Super Guarantee, Award or Salary Sacrifice contributions. For example, your employer may agree to contribute 15% super, instead of their requirements under Super Guarantee. The difference above the Super Guarantee will be classified as Other Employer Contribution.

Non-concessional contributions	
Personal contributions	You may decide to make voluntary, after-tax contributions to your super. Personal contributions can be paid directly, or your employer may agree to make the payment on your behalf from your after-tax salary.
Government Contributions	Depending on the level of income you earn, when you make a personal contribution to your super, the Government may make an additional payment to top up your super.
Spouse Contributions	If both you and your spouse are Australian residents, your spouse (married or de facto, including same-sex couples) may be able to contribute to your super on your behalf. Contributions cannot be made by your spouse if they are your employer.
Sale of business and personal injury payments	You may also be able to contribute the proceeds from the sale of a small business and personal injury payments to your super. There are additional eligibility criteria and taxation consequences for these types of contributions and you should discuss this strategy with a qualified financial planner.

Contributing to your Enterprise Plan Member account

Electronic Fund Transfer (EFT)

If you decide to make a contribution to your Member account by EFT, banking details and the fund contribution remittance form can be found:

- Via Member Online, in the Super tab 'How to make a contribution'
- Bank details are on the Compliance Letter, and this and the contribution remittance form are also available at www.enterpriseplan.com.au, forms and publications page.
- You will need to send the fund a completed Contribution remittance advice form to confirm the contribution type to be applied, and allow your contribution to be allocated to your member account. Funds are to your payment, or your funds may not be allocated and could be returned

Still have questions?

Contact Us:

Enterprise Plan

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