



# JOBKEEPER

## IMPLICATIONS FOR EMPLOYERS – SUPERANNUATION

### Superannuation Guarantee (Super Guarantee)

Employers are required to pay superannuation contributions of 9.5% of an employee's ordinary time earnings when an employee is paid \$450 or more before tax in a month and the employee is:

- over 18 years, or
- under 18 years and works over 30 hours a week.

The rules apply to full-time and part-time employees, casual employees, and includes temporary residents.

Superannuation is required to be paid into the employee's nominated account four times per year by the quarterly due dates. It must be done in a format that ensures you meet SuperStream requirements, for example the ATO Superannuation Clearing House

Failure to pay on time may result in the superannuation guarantee charge.

### Changes due to COVID-19

Should you not be able to pay on time due to COVID-19, legislation does not allow for an extension of time on paying the Super Guarantee. All superannuation requirements are expected to be met.

In regards to JobKeeper payments, the Super Guarantee of 9.5% does not apply to any Top Up payment above the employee's ordinary time earnings. In the event that the employee does not work (i.e. is still engaged with the employer but currently stood down), no Super Guarantee is required to be paid for any wages paid in satisfaction of the employer's JobKeeper requirements.

#### Example 1:

An employee, who is eligible for the JobKeeper scheme, earns \$1,300 gross pay for a fortnight and in addition receives \$200 Top Up in order to reach minimum \$1,500 payment. The Super Guarantee will be equal to 9.5% of their ordinary earnings being the \$1,300. No Super Guarantee is required on the top up of \$200.

#### Example 2:

An employee, who is eligible for the JobKeeper scheme earns \$1,800 gross pay for a fortnight. The Super Guarantee will be equal to 9.5% of their ordinary earnings of \$1,800.

#### Example 3:

An employee, who is eligible for the JobKeeper scheme, is on a stood down basis and does no work for the employer for the fortnight. The employee is paid \$1,500 gross pay as per the JobKeeper scheme. As the employee has not worked, the employer is not required to pay any Super Guarantee on this wages payment.

**Please note:** The employer can choose to pay the 9.5% guarantee on the Top Up should they wish to do so.

## Payroll Software

Most of the software providers have now created appropriate measures, so that the Super Guarantee is calculated correctly on the employee's actual earnings. Your software should have a code to use for JobKeeper top ups so that the 9.5% is calculated correctly.

For more information, please don't hesitate to contact our office on 1300 363 866.

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