

SUPERANNUATION PAYMENTS

Child Care Centres and Out of School Hours Care Services

All employers are affected by the Superannuation Guarantee legislation, which has been in operation since July 1992. The superannuation percentage figure under the Superannuation Guarantee legislation has been 9% since 1st July 2002. The following information may help you to calculate your employees' entitlements.

Superannuation Funds

Employers are obliged to pay into one of the superannuation funds mentioned in Clause 5.4 of the Child Care (SA) Award or Clause 5.7 of the Clerks` (SA) Award if your employees fall within the scope of these awards and it is important to refer to those awards for eligibility criteria.

Superannuation Guarantee legislation

Employers are bound by the Superannuation Guarantee legislation. The Superannuation Guarantee Charge operates separate to, but in conjunction with the award system. If your employees fall within the criteria for the Superannuation Guarantee you should be paying a contribution of 9% of ordinary time earnings for each of those employees. If they are not caught by the Superannuation Guarantee, they may still fall within the award criteria for 3%. The maximum payment for any employee would be 9%.

You will need to consider each staff member's situation separately, taking into account the age of the worker, the amount he or she earns per month, how many hours per week the person works and whether the employment is casual or permanent.

Check first to see if any employee falls within the criteria under the Superannuation Guarantee legislation:

- The Superannuation Guarantee 9% applies to all employees who earn more than \$450.00 per month, except for:
 - those employees under age 18 who work less than 30 hours per week
 - those employees over 70 years of age
- The Superannuation Guarantee does not apply to employees who earn less than \$450.00 per month.
- The level of employer contributions is based upon an employee's ordinary time earnings (this includes shift and casual loadings and leave payments but not leave loadings).

Award Superannuation

Employers should then refer to the specific awards mentioned to see if their employees fall within the criteria outlined for the 3% award superannuation. The Clerks (SA) Award and Child Care (SA) Award differ in their respective criteria.

Under the Child Care (SA) Award, after a qualifying period of 3 months continuous service, full and part-time adult employees (as well as casuals working over 24 hours per month) are entitled to a 3% contribution. For casual employees working less than 24 hours per month there is no contribution. Junior employees receive 70% of the rate payable to an adult employee unless they work less than 24 hours per month.

The superannuation contributions remain in the fund until the worker reaches retirement age.

*Uldis Bruns
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RESOURCE SHEET :

The Australian Tax Office (ATO) has a fact sheet which includes a helpful flow chart for employers which would be just as interesting for employees. *It's called Choice of superannuation fund – how to determine if you employees are eligible* (NAT 13592-04.2006). For more information call the ATO on 13 10 20 or visit www.ato.gov.au/super or www.superchoice.gov.au .

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