

Fact Sheet

Superannuation Changes – 1st July 2021

20 May 2021

Confirmed Changes

Superannuation Guarantee is set to increase to 10% on 1 July 2021. Currently the minimum contribution is 9.5%. This should be considered in part, a wage increase for your employees.

The Superannuation Guarantee is legislated to increase 0.5% annually until it reaches 12% from 1 July 2025.

What this means is that you need to factor this increase into your remuneration budgets and planning.

If your contracts are inclusive of Superannuation, then it would be advised that you write to your employee restating their new remuneration package. This can also be done in conjunction with annual reviews and wage increases. Transparency here has the ability to mitigate difficult conversation around payroll.

If your contracts are exclusive of Superannuation, then it would be advised that you write to your employees stating this percentage change.

Please ensure that your payroll systems are adjusted to reflect these changes, if you need assistance reach out to your Bookkeeper or Accountant.

Proposed Changes

The Government will remove the current \$450 per month minimum income threshold, under which employees currently do not have to be paid the Superannuation Guarantee by their employer.

At this stage, this is a proposal, and we will need to await Royal Assent to know which year this change will commence. The employer exemption from Superannuation Guarantee payments for individuals earning less than \$450 in salary or wages in a calendar month will be removed. This announcement will take effect from the 1 July following legislation receiving Royal Assent.

Need Help?

Contact your Advisor to talk through any questions you may have in relation to the changes. Alternatively, speak to your Bookkeeper or Accountant.