

EmployerNews | WINTER15



Keeping electrical and communication contractors informed about your Fund and what's happening in superannuation.

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Your End of Financial Year NESS Super Reminders!

With the end of the financial year just around the corner, you are probably thinking to yourself, how quickly has this year gone by? So, it is important to note some timely reminders to help you and your business meet your end of financial year business requirements, as well as prepare yourself for the financial year ahead.

Payment of super and claiming a tax deduction the 2014/15 financial year

If you are considering making employer super payments (including Superannuation Guarantee) and claiming a tax deduction this financial year (2014/15), the super payments **must be paid and received by NESS Super and other super funds by 30 June 2015**. It is sometimes overlooked that payments must also be received by the super fund prior to 30 June 2015 to claim a business tax deduction this financial year. This also includes Self-Employed contractors contributing super payments on their own behalf.

What about Self-Employed contractors?

Principals of electrical and communications contractors who are Self-Employed or have a partnership business structure may not have super as your top priority amongst all the things needed to manage your day-to-day business. However, there may be some incentives to help you maximise your super and have enough to live on in your retirement.

Did you know that if you are Self-Employed or work as a contractor:

- You may be eligible for a tax deduction on your super contributions. Remember to make a contribution to NESS Super before 30 June 2015 to make a deduction for your 2015 tax return*.
- You may also be eligible for a Government Co-contribution of up to \$500 in respect of your non-concessional contributions if you earn \$49,488 or less per annum**.
- A Low Income Super Contribution of up to \$500 may also apply if you earn \$37,000 or less per annum**.

*Remember, in order to make a claim, you must provide your super fund with a "Notice of Intent to claim a deduction for personal contributions" before the end of the following financial year and BEFORE you lodge your tax return. For example, to claim a deduction for contributions made this financial year (1 July 2014 to 30 June 2015) you must provide a notice before 30 June 2016. You must receive an acknowledgment from your super fund before claiming a deduction.

**The Australian Taxation Office (ATO) will automatically assess your eligibility and pay this to your super account if you are eligible. There are other conditions, such as ensuring your super fund has a record of your Tax File Number. A non-concessional contribution includes a contribution that you do not claim as a tax deduction. This applies only to Self-Employed and substantially Self-Employed members as defined by the ATO.

We recommend that you consult with a suitable qualified person before making any financial decisions.

Superannuation Guarantee (SG) payment amount

The SG minimum payment amount for employers on behalf of eligible employees for **this financial year 2014/15 financial year is 9.5%**. This is scheduled to remain at 9.5% until 1 July 2021.

It's also important to note that as from 1 July 2013, there is no upper age limit for SG payment for eligible employees.

Whilst the SG minimum amount remains frozen until 2021, the updated ATO superannuation thresholds show the **maximum contributions earnings base for eligible employees will rise to \$50,810 per quarter, from 1 July 2015. This is an increase from \$49,430 per quarter for the 2014/2015 financial year.**

Don't forget the Super Contributions Cap!

Whilst the superannuation contributions cap affects employees based on individual circumstances, it is prudent to be aware from an employer's perspective what contributions cap applies to employer super

contributions (especially when salary sacrifice contributions are also involved), so as to assist your employees keep an eye on their contributions cap. This can help your employees avoid paying any additional penalty tax on contributions that exceed the cap.

The concessional contribution caps (including SG, salary sacrifice and employer additional contributions) for the 2014/2015 financial year are as follows:

- **General cap - \$30,000 (new indexed amount).**
- **Individuals aged 50 and over - \$35,000.**

The Government SuperStream clock for employers is ticking...

The ATO has continued to remind employers of their requirements and the timeframes in order to meet the new Government Data and Payment Standard (SuperStream) requirements.

This commenced from 1 July 2014 and will eventually require all employers to make super payments and send the applicable payment data electronically. As a reminder:

- **Medium to large employers (having 20 or more employees)** must have the new requirements in place by **1 July 2015**.
- **Smaller employers (having 19 or less employees)** must have the new requirements in place by **1 July 2016**.

It's important to prepare now, especially if you have 20 or more employees (and have not already commenced your implementation) to ensure you are able to comply and meet the upcoming requirements by necessary timeframes.

NESS Super can help participating employers with the SCH Online clearing house solution.



To find out more about how NESS Super can help your business and employees with any of the topics outlined in this newsletter (including Super for Self-Employed contractors and a Super Clearing House, SCH Online solution for the Government SuperStream requirements), please contact Mynas Leontios, NESS Super's employer service representative on **0448 432 443** or by email at **mynasi@neca.asn.au**. At NESS Super, we are here to help...

NESS Super benefits for employers

- ✓ We make it simple, easy and convenient for employers to administer their employees' super.
- ✓ Self-Employed contractors or principles of unincorporated partnerships can also join NESS Super.
- ✓ We are "MySuper" approved and help employers meet the compulsory Superannuation Guarantee and Award obligation.
- ✓ We help employers meet the Government Data and Payment Standard "SuperStream" requirements with our electronic (online) contribution payment facilities, via EmployerAccess and SCH-Online (Super Clearing House facility). This allows employers to contribute electronically to NESS Super and other super funds through the one secure website. It simplifies the process of providing member data and making super payments, through various electronic payment methods, including BPay.
- ✓ We offer personal, onsite service at your workplace. Our friendly and experienced service centre staff are available to assist you and your employees with your enquiries.

At NESS Super, we're here to help...

Oliver from
NECA NSW,
a NESS Super
employer



➤ Federal Budget 2015/16 – Super and Retirement Update

The Abbott Government's second Federal Budget did not contain any major changes to superannuation or the taxation of superannuation. This was no great surprise given recently commenced Tax Review process, which will involve a thorough examination and review of the taxation of superannuation. It is likely to produce its own set of recommendations.

The most significant developments on retirement incomes concerned the Age Pension. As widely reported prior to Budget, the proposed changes to the Asset Test will benefit an estimated 170,000 less well-off pensioners but will tighten the eligibility for those pensioners with higher assets.

Among the limited changes to superannuation, the Budget contained new conditions of release to improved access superannuation for the terminally ill. This will allow more time for people to sort out their affairs or help pay for medical treatment.

For more information on the Federal Budget 2015/16, please visit the Government's Budget website at www.budget.gov.au.

- 📞 Freecall 1800 022 067
- ✉ Post Locked Bag 20
Parramatta NSW 2124
- 🌐 Web www.nesssuper.com.au
- ✉ Email nessadmin@aas.com.au

Contact us if you want to know more about
any of the topics in this newsletter

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