



New South Wales Electrical Superannuation Scheme' Employer Newsletter

Autumn 2010

This newsletter is the start of a regular communication from NESS designed to keep employers informed about relevant superannuation topics, using non-technical language.

EMPLOYERS' SUPER CONTRIBUTION OBLIGATIONS

1. NESS

Participating employers are obliged to contribute monthly, as opposed to the quarterly payment obligations imposed by Superannuation Guarantee legislation.

2. Superannuation Guarantee (SG)

Under SG, employers must contribute 9% of employees' base earnings to a complying super fund.

Employees' earnings base may be stated in an award, an agreement or contract with an employer, an occupational super arrangement or a law of the Commonwealth, a State or a Territory.

If none of these applies, the earnings base will be based on 'ordinary time earnings'. This is what your employees' earn for ordinary hours of work. That generally includes ordinary pay, over-award payments and shift loadings.

Since 1 July 2008, all employers have been required to calculate the minimum SG contributions based on ordinary time earnings.

CLEARINGHOUSE & MEDICARE

On 6 November 2009, the Government announced that it will establish, for employers with less than 20 employees a free clearing house service by 1 July 2010. That will:

- reduce time and paperwork for employers
- help employers meet their choice of fund obligations
- provide an electronic channel to promote e-commerce and efficiency

NESS will keep you informed and as soon as final legislation is released via our website www.nesssuper.com.au

DO I HAVE TO PAY SG FOR ALL MY STAFF?

Generally the answer is "yes", **unless** the employee in question is:

- Paid less than \$450 in a calendar month; or
- Under 18 and working less than 30 hours a week; or
- Over 70; or
- a non-resident working overseas.

There are other less common exemptions which you can check with the ATO on its information line 13 10 20 or on its Website www.ato.gov.au

SUPERANNUATION GUARANTEE DATES

It is important to pay the correct amount of super by the cut-off date each quarter to avoid paying the Superannuation Guarantee Charge (SGC) to the Tax Office.

SG cut-off dates for 2009/2010

Quarter	Quarterly cut-off date
1 April 2010– 30 June 2010	28 July 2010

SG cut-off dates for 2010/2011

Quarter	Quarterly cut-off date
1 July 2010 – 30 September 2010	28 October 2010
1 October 2010 – 31 December 2010	28 January 2011
1 January 2011 – 31 March 2011	28 April 2011
1 April 2011 – 30 June 2011	28 July 2011

If the quarterly cut-off date falls on a weekend or public holiday, you should make the payment by the next working day.

NEED MORE INFORMATION?

The Superannuation Guarantee is administered by the Australian Tax Office. You can access more information, including their guide for employers entitled *Superannuation Guarantee – how to meet your super obligation*, from its website at www.ato.gov.au or call the information line on 13 10 20.

An easy way to meet your contribution obligations – **NESS Employer Access**

EmployerAccess is a time and cost saving secure service that simplifies the ways that employers can make contributions.

Employers can establish an account to pay contributions and provide member superannuation details electronically.

Using this service allows us to receive and process your contributions quicker and efficiently as opposed to sending your remittance via post.

Employers using EmployerAccess can also:

- Remit SG, salary sacrifice and member voluntary contributions
- Create new employee accounts straight away
- Advise terminations of a member's employment
- Update details on behalf of a member
- Reconcile contribution payments historically or per member
- Submit contributions and funds using our self-initiated Direct Debit, with no hassles.

NESS currently offers the following options for employers to submit contributions electronically using EmployerAccess:

OPTION 1 – EmployerAccess eForm

- Most suitable option if you have less than 20 employees
- Advise your contributions via our eForm Contribution Return

OPTION 2 – EmployerAccess Payroll or Spreadsheet Upload

- Most suitable option if you have more than 20 employees

The benefit of this option allows you to run and export reports from your payroll to a file which can be directly uploaded to EmployerAccess.

Electronic Data Transfer (EDT) Contributions

This option suits employers that have more than 20 employees and if you prefer to **email** your payroll file or spreadsheet.

When your reports or spreadsheet are ready to be submitted, just send an email to NESS:

For more information, simply ring NESS on 1800 022 067 and ask to speak to an eService Consultant.

WE NEED YOUR HELP!

When you hire a new employee, we need sufficient information about that person in order to establish their membership records. New members should read the current NESS Product Disclosure Statement and complete the member application form however, that is not always possible so the minimum we need from employers are the employee's name, address, tax file number and date of birth. This information will enable us to establish contact with that person.

NESS Pension

There are two very tax effective NESS pension options. Members who are over 55 can transfer amounts (minimum \$50,000) from their super account to their pension account and, select:

1. Transition to Retirement - a member can receive a pension for up to 10 years before retirement. That will allow for working time to be reduced or for the gross equivalent pay to be salary sacrificed into super.
2. Full Retirement - the objective of super is to build up a lump sum to live on in retirement. It requires a large amount to fund a pension that will generate sufficient income to allow a comfortable lifestyle for the next, commonly, 20 to 30 years.

From age 60 both income and payments from a super pension are tax free.

Simply visit our website or call NESS
on 1800 022 067 for more information

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The information in this newsletter is up-to-date at the time of its publication. However some of this information can change over time. The contents are for general information only and do not constitute personal advice. We recommend that you consult a suitably qualified person before making financial decisions.