

# **Superannuation eligibility changes could impact your payroll**

In addition to planning for the expected statutory super rate rise to 10.5%, some employers need to prepare for a significant change from July 2022.

## **Removal of the \$450 Monthly Earnings Threshold**

The \$450 per month eligibility threshold has been removed for most workers.

This means employers will need to pay the superannuation guarantee contribution (SGC) on all ordinary earnings. Particularly if your business relies on a large pool of casual workers who earn less than \$450 per month, you'll notice the extra cost when it comes to paying SGC for the September quarter.

There are some exceptions to the rule – employees under 18 and domestic workers need to work more than 30 hours per week and earn more than \$450 per month. Contractors deemed employees for superannuation contributions must earn more than \$450 per month. There are different rules for international and temporary workers.

## **Single Touch Payroll Super Reporting**

All your payroll details are reported to the ATO through STP. This includes super amounts owed to employees. Late payment and interest penalties are expensive, so this is one employer obligation you don't want to miss!

## **Get Ready for Increased Payroll Costs**

Be proactive and start costing your payroll now to budget for

the increased payroll costs. You can also let your employees know about the changes coming to their super, so they know about their entitlements.

If you'd like a review of your payroll systems and costs, talk to us today. We'll help you plan for the impacts of the increased super expenses on your business.