



## **SUPER GUARANTEE CHANGES**

As you are aware, you are required to provide a minimum level of superannuation support for an employee - currently 9% of the employee's notional earnings base.

In working out an employee's notional earnings base, **from 1 July 2008**, you will now be required to make sure all your employees' Super Guarantee contributions are calculated using *ordinary time earnings*.

### **What are 'ordinary time earnings'?**

*Ordinary time earnings* (OTE) is generally what your employees earn for their ordinary hours of work, including:

- salary and wages
- over-award payments
- commissions
- shift allowances
- paid leave.

However, it excludes things like overtime.

### **Do I need to check current arrangements?**

Most employers tend to use *OTE* to calculate their employees super contributions.

To be safe, however, you should check your current Super Guarantee arrangements now to see if you are using an earnings base other than *OTE*.

Make sure you are using *OTE* to calculate your employees Super Guarantee contributions if you are relying on an earnings base contained in:

- an industrial award
- an existing employment agreement
- a fund's trust deed, or
- a law of the Commonwealth, States or Territories.

### **WARNING !**

From 1 July 2008, if the super contribution percentage in a specific earnings base for your employees is below the minimum 9%, you will have to pay extra to meet the minimum 9% to avoid additional Super Guarantee charges.

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