

# THE TREASURY LAWS AMENDMENT BILL

## Superannuation Guarantee Amnesty

The Australian Parliament just passed the Treasury Laws Amendment (Recovering Unpaid Superannuation) Bill 2019. This is a bill that grants a one-off superannuation guarantee amnesty to self-correct any underpaid Superannuation Guarantee (SG) payments payable for any quarters between 1 July 1992 and 31 March 2018.

The amnesty provides for a six-month period, from 6 March 2020 to 7 September 2020, for employers to self-report SG non-compliance and apply for amnesty from the ATO. This application must be completed on an approved form, available from the ATO website.

During this period employers will be exempt from the significantly higher penalties, which will be applied once the amnesty has ended.



## Do I Need To Pay Super?

Super is money you pay for your workers to provide for their retirement. Generally, if you pay an employee \$450 or more before tax in a calendar month, you have to pay super on top of their wages.

The minimum you must pay is called the Superannuation Guarantee (SG):

- The SG is currently 9.5% of an employee's ordinary time earnings
- You must pay the SG at least four times a year, by the quarterly due dates
- You must pay and report super electronically in a standard format, ensuring you meet SuperStream requirements
- Your super payments must go to a complying super fund – most employees can choose their own fund

Note:

*The Australian Government has recently legislated integrity measures through the Treasury Laws Amendment (2018 Measures No 4) Act 2019. Under this legislation, employees who underpay the SG may face up to 12 months imprisonment.*



## The Super Guarantee Charge

If you don't pay the minimum amount of super guarantee (SG) for your employee into the correct fund by the due date you may have to pay the super guarantee charge (SGC), which is not tax-deductible.

The charge is made up of:

- SG shortfall amounts
- Interest on those amounts (currently 10%)
- An administration fee of \$20 per employee, per quarter.

# THE TREASURY LAWS AMENDMENT BILL

## What Happens If I Lodge A Late Or Incomplete Super Payment

Generally if you pay your superannuation late a few penalties get applied against your business:

1. Super payments become non-tax deductible;
2. Notional interest accrues on any outstanding super and continues to accrue until the SGC Statement is lodged;
3. Financial penalties of up to 200% of your super liability may be applied
4. An administration penalty of \$20 per employee per quarter.



## Superannuation Guarantee Amnesty

The SG Amnesty waives parts 1, 3 and 4 of the above penalties.

*Note: Notional interest still applies as it is payable to the employee who's super was unpaid, not to the ATO.*



## You Cannot Afford To Miss This Amnesty

The Amnesty provides the opportunity to bring all super guarantee payments up to date without penalty. However if you fail to act during this Amnesty and are found to have outstanding SG payments and SGC Statements the ATO will apply penalties to the full extent from September 2020. The ATO will be required to apply financial penalties at 200% of the super liability, with no option to remit this.



## You Have Just Under 6 Months To Act

The Amnesty requires SG Statements to be lodged for all quarters that have outstanding SG payments. The ATO has provided information on how to apply for the amnesty [here](#).

We can prepare any outstanding SGC Statements for you, at a rate of \$440 per quarter for a standard Statement with good book keeping in place. Should you have outstanding payments to make we can also assist in developing a payment plan with the ATO on your behalf to ease any cashflow impact.

Over the next three weeks we will go through all of the tax returns prepared by us before 2018 and identify which clients quarters are late and if they will be required to do an SGC statement. If your pre 2018 tax returns were prepared by a different accounting firm you will need to review your books to see if Super had been paid late and prepare SGC Statements for those quarters yourself, or of course you can ask us to assist.

### Contact

T: (07) 3205 8938

E: [info@qldaccounting.com.au](mailto:info@qldaccounting.com.au)

W: [www.qldaccounting.com.au](http://www.qldaccounting.com.au)