

Superannuation

Am I entitled to super?

If you're an employee, you are typically entitled to compulsory super contributions from your employer. From 1 July 2014, these super guarantee contributions must be at least 9.5% of your ordinary earnings, up to the 'maximum contribution base'.

Generally, you're entitled to super guarantee contributions from an employer if you're:

- 18 years old or over, and
- paid \$450 or more (before tax) in a month.

It doesn't matter whether you're full time, part time or casual, and it doesn't matter if you're a temporary resident of Australia.

If you're under 18, you must meet the above conditions and work more than 30 hours per week to be entitled to super contributions.

Your employer is **not required** to make super contributions if you're:

- paid to do work of a private or domestic nature for 30 hours or less each week
- a non-Australian resident and you're paid to do work outside Australia
- an Australian resident paid by a non-resident employer for work done outside Australia
- a senior foreign executive on a certain class of visa
- temporarily working in Australia for an overseas employer and covered by the super provisions of a bilateral social security agreement.

To work out if you're eligible for super guarantee contributions use:

- <https://www.ato.gov.au/Calculators-and-tools/Super-guarantee-eligibility/>
- <https://www.ato.gov.au/Rates/Key-superannuation-rates-and-thresholds/?page=22>

Choosing a super fund

Most people can choose the super fund they want their employer contributions paid into. You may also be able to choose how your savings are invested. Some fund investment strategies offer higher returns with higher risks, while others offer greater security for your money but with lower returns.

If you're eligible to choose a fund, your employer must give you a *Standard choice form* so you can make that choice in writing.

If you don't choose a super fund, your employer will choose a fund for you.

You're generally eligible to choose a super fund for your super guarantee contributions if:

- your super is paid under a federal award or a former state award
- you're employed under another award or agreement that doesn't require super support, or
- you're not employed under any award or industrial agreement (including contractors paid principally for their labour).

You're **not** eligible to choose the super fund you want your super guarantee contributions paid into if:

- your super is paid under a state award or industrial agreement
- your super is paid under certain workplace agreements, including some Australian workplace agreements (AWA)
- you're a federal or state public sector employee, excluded from super choice by law or regulations
- you're in a particular type of defined benefit fund or have already reached a certain level of benefit in that super fund.

For more information about awards and agreements visit <http://www.fairwork.gov.au/awards-and-agreements>

Types of funds

There are five basic types of funds:

- **Industry funds:** These funds are sometimes open to everyone. Otherwise, you can join if you work in a particular industry or under a particular industrial award and your employer signs up with the fund.
- **Retail funds:** These funds are open to everyone. They are run by financial institutions.
- **Public sector funds:** These funds are generally open to Commonwealth, state and territory government employees. They may offer defined benefit funds and constitutionally protected funds (CPFs) to its members.
- **Corporate funds:** These funds are generally only open to people working for a particular employer or corporation. They may offer defined benefit funds to its members.
- **Self-managed super funds (SMSFs):** SMSFs work like any other super fund, but the responsibility of managing it, including its investment decisions and legal responsibilities) rests solely with the trustee (you). Establishing and operating an SMSF is a major financial decision and you should first discuss your personal circumstances with a qualified professional.

For more information about comparing super funds, visit <https://www.moneysmart.gov.au/superannuation-and-retirement/how-super-works/choosing-a-super-fund> and use their super calculator.

Reference: <https://www.ato.gov.au/individuals/super/getting-started/employees/>