



Superannuation

This step-by-step guide shows you how to set up superannuation, salary sacrifice and employee contributions in SmoothPay Payroll, and how to produce your superannuation schedules for payment to individual super funds.

Employees are entitled to 9% as a guaranteed contribution based on their OTE (Ordinary Time Earnings). These earnings include ordinary time worked as well as paid leave (*refer to ATO for a complete definition - you control what makes up the OTE by a flag on each time and leave payroll code.*

If the employee is sacrificing part of their income (*salary sacrifice*) to superannuation, then OTE is reduced by the sacrificed amount.

From 1 July 2009, any and all contributions made by way of Salary Sacrifice, or where the employer's contribution exceeds 9% and the employee directly influenced the contribution rate, then these amounts must be reported on the employee's Payment Summary when they leave or at the end of the tax year (*refer to ATO for the complete details of Superannuation Reporting*).

Superannuation schemes

Create all superannuation schemes used by your employees in *Codes..Agencies and Super Funds*:

Staff Codes HR

Agencies and Super F... ▾

Australian Super
Charity
Court fines
Health Super
Hesta Super Fund
Hostplus
Mercer Wealth Solutions
Salary Packaging
Staff Loans
Superannuation
Tool Purchases
Union Fees

Agencies and Super Funds

Title: Hesta Super Fund

Paid to: (name and address): Hesta Super Fund
P O Box 600
Carlton South
VIC 3053

Phone: 1800 813 327

ABN:

Email: hesta@hesta.com.au

Reference: 666777

BSB+Account: 083355-537447566

Individual direct credit transactions?

Category: Superannuation

Control A/c: Superannuation

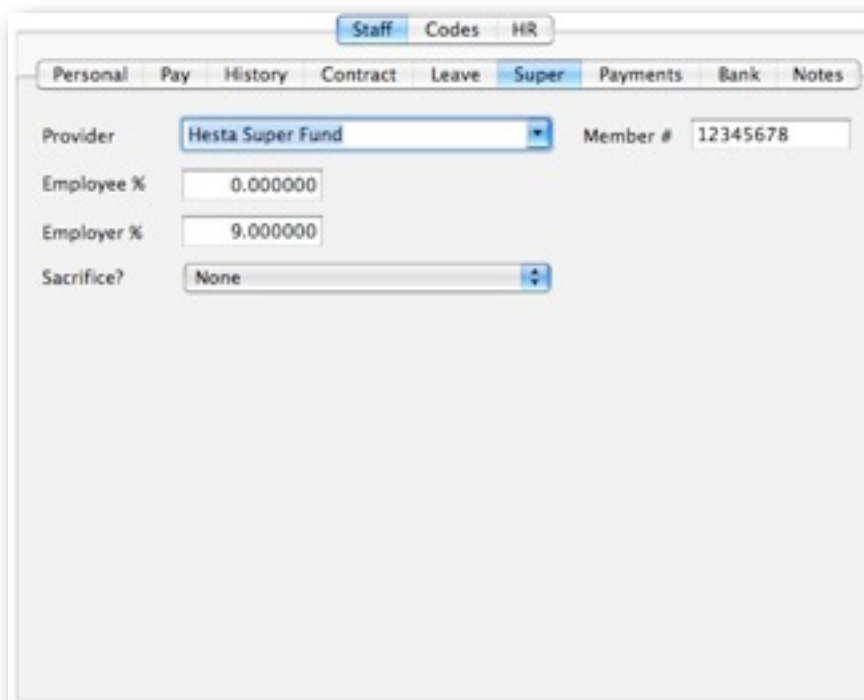
The important points to note are:

- **Paid to:** Make sure this is complete so that your payment advice shows the fund name and address
- **Reference:** Enter your employer code or number so that the fund can identify your payments
- **BSB+Account:** only set this if you will be making payments to the fund every pay period!
- **Individual direct credit transactions?:** Tick this if individual EFT payments are to be made for each employee to the fund (so they can be easily identified by the fund manager)
- **Category:** MUST be Superannuation
- **Control A/c:** This is the holding account for all superannuation contributions before being paid out to super funds (per pay period, monthly, or quarterly). *Refer to our Accounting Integration Guide for more information about using cost centres and control accounts for payroll processing.*

Now that your super schemes are established, you can use them on each employee's Superannuation screen.

Setting each employee's super scheme

Choose *Staff..Super*. Select (click) each employee in turn, then set the super scheme the employee belongs to, for example:



Points to note:

- **Member #:** Your employee's membership number with the fund
- **Employee %:** Employee's voluntary contribution (if any)
- **Employer %:** Typically 9%
- **Sacrifice?:** Can be set to None (default), Amount (per pay period), or Percentage

Additional employee super contributions

It's easy to establish additional contribution amounts for the employee to their selected superannuation fund.

As well as being able to specify a percentage contribution based on OTE (refer screenshot above), you can add a superannuation deduction to *Codes..Sundry Deductions*, then use that on any employee's *Pay..Sundry Deductions* input screen.

For example, if your employee wishes to contribute an extra \$20 per pay period to their super fund, then establish a deduction code as follows (*Codes..Sundry Deductions*):

Then, in *Staff..Pay..Sundry Deductions*, add the deduction entry and specify the amount to be deducted each pay period:

Note: You can use any of the deduction calculation options available.

For example, to automatically contribute all overtime to superannuation, you would create a deduction code based on "Earnings x Rate", then Fine Tune it to include just the Overtime entries. Then, when you add the code to the employee's Pay Input, specify that a rate of 1 (one) is to be used, and all overtime will then be taken as voluntary superannuation contributions.

Payslips

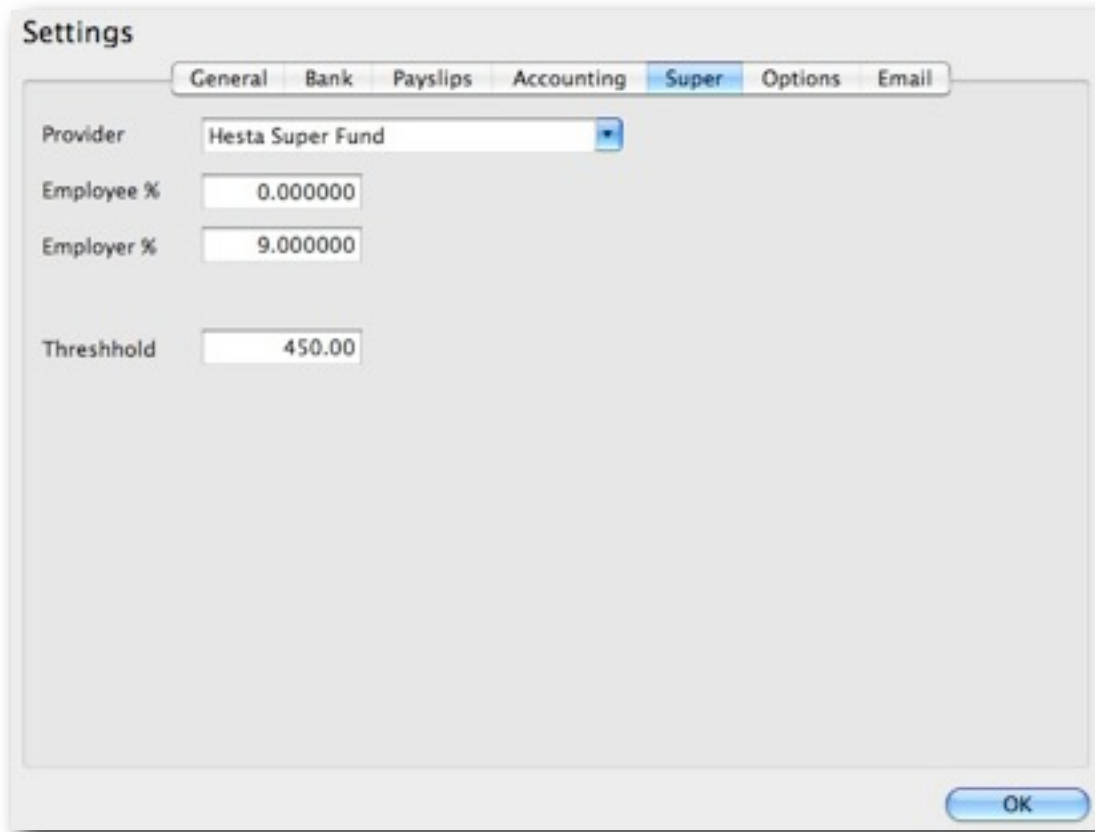
The employee's payslip shows any voluntary contributions and salary sacrifice in the payslip transactions area.

It also shows the calculated employer's contributions each pay at the foot of the payslip, eg:

Total employer funded superannuation payable to Hesta Super Fund: for this pay \$421.32, for paydays this month \$842.64, for paydays since 01.07.2008 \$5793.77

Default superannuation scheme

Choose *Configure..Super*, set as required. When you add a new employee, these settings will be applied as the default. Make sure you correct the employee's super fund settings if this is not their correct scheme, and set their membership # correctly.



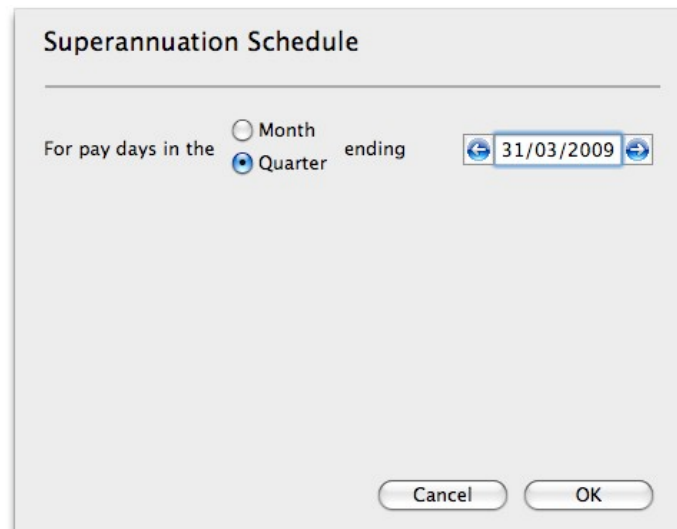
The screenshot shows a 'Settings' dialog box with the 'Super' tab selected. The 'Provider' dropdown menu is set to 'Hesta Super Fund'. The 'Employee %' field contains '0.000000', the 'Employer %' field contains '9.000000', and the 'Threshold' field contains '450.00'. An 'OK' button is located at the bottom right of the dialog.

Points to note:

- **Provider:** The default superannuation fund to be used
- **Threshold:** The monthly OTE amount to be reached before super contributions must be made (this can be set per fund)

Superannuation Schedules

Choose *Reports..Super..Schedule*:



The screenshot shows a 'Superannuation Schedule' dialog box. It features two radio buttons: 'Month' (unselected) and 'Quarter' (selected). The text 'For pay days in the' is followed by the selected radio button, then 'ending' and a date field set to '31/03/2009'. 'Cancel' and 'OK' buttons are located at the bottom of the dialog.

Specify the period required (a selected month, or a selected quarter).

A schedule showing contributions and any employee deductions will be produced showing the values for each employee paid in the selected period. This should be printed and retained for your records, eg:

Acme Widgets Pty Ltd				Superannuation Schedule for pay days 01/01/2009 to 31/03/2009			
		Scheme ID	Member ID	OTE	Employer subsidy	Salary sacrifice	Employee voluntary
Brown, Homer	Mar	Employer Code	10332731	920.00	82.80	0.00	0.00
Long, Elle	Feb	666777	12345678	4681.31	421.32	0.00	0.00
Long, Elle	Mar	666777	12345678	9362.60	842.64	0.00	0.00
Pyefinch, Tama	Feb			408.00	0.00	0.00	0.00
Smith, Adrienne	Mar	666777	4567890	575.13	51.76	0.00	0.00
Smith, Logan	Mar		110074360	2600.00	234.00	0.00	0.00
Williamson, Graham	Mar	666777	14609617	2610.50	234.95	0.00	0.00
				21157.54	1867.47	0.00	0.00

This report is followed by Remittance Advice forms (per super fund), for example:

Acme Widgets Pty Ltd				Superannuation Schedule for pay days 01/01/2009 to 31/03/2009		
Hesta Super Fund P O Box 600 Carlton South VIC 3053						
		Scheme ID	Member ID	Employer subsidy	Salary sacrifice	Employee voluntary
Long, Elle	Feb	666777	12345678	421.32	0.00	0.00
Long, Elle	Mar	666777	12345678	842.64	0.00	0.00
Smith, Adrienne	Mar	666777	4567890	51.76	0.00	0.00
Williamson, Graham	Mar	666777	14609617	234.95	0.00	0.00
Totals				1550.67	0.00	0.00

SmoothPay can also produce a superannuation schedule for electronic transfer to a clearing house for processing, though with the advent of an Australian Government initiative this will become much more streamlined in the future.

General notes

- When bringing on historical pay entries (say, when moving from a manual system to SmoothPay), make sure you set the OTE value correctly, otherwise superannuation contribution amounts will not be calculated correctly:

View Pay History

Period end: 18.08.2008 Pay day: 18.08.2008

Earnings summary		Superannuation	
Ordinary time	0.00	Ordinary time earnings	11263.91
Overtime worked	0.00	Employer contribution	1013.75
Leave taken	0.00	Salary Sacrifice	0.00
CDEP content	0.00		
Taxable allowances	11263.91		
Non-taxable allowances	0.00		
Lump A	0.00		
Lump B	0.00		
Lump D	0.00		
Lump E	0.00		
Gross value	11263.91		

Deductions	
Tax withheld (incl HELP etc)	4769.49
Union/professional fees	0.00
Workplace giving	0.00
Superannuation	0.00
Other deductions	0.00
Total deductions	4769.49

Fringe benefits: 0.00 Amount paid: 6494.42

Use this form to bring on pay totals or missing pays

Cancel OK

- Make sure any time and leave payroll codes are set correctly to contribute to OTE, eg:

Staff Codes HR

Time codes

DOUBLE
ORDINARY
OVERTIME

Abbreviation: ORDINARY Inactive

Description: Ordinary time

Category: Ordinary time

GST rate: None

Multiplier: 1.00

Include in Super calculations?

Counts towards Rostered Day Off?

Feedback

We're always keen to do better!

Any and all feedback is appreciated and if you feel we could include better examples, provide more explanation, provide references to additional information, make a process easier to use, or you spot something that isn't working the way it's supposed to - please let us know.