

SUPERANNUATION & SUPER GUARANTEE CONTRIBUTIONS

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Welcome to the new world of live reporting and more importantly the repercussions of such.

With the advent of Single Touch Payroll Reporting and the requirement to pay your employees superannuation via a recognised superannuation clearing house, the ATO now have up to date information on how much superannuation you are required to pay your employees and when those payments are required to be made.

The logical next step for the ATO by implementing this real time data catching technology was always going to be to use it to catch those who have been late on their payment and lodgement requirements.

We are now starting to see the ATO actively ramp up their activity in this area, with many late lodgement notices being issued in this area, and they treat late super payments very seriously!

So what are the repercussions if you do not pay your employees superannuation on time?

- Super Guarantee is the amount of super calculated on your employees wages. It is currently at a rate of 11.5% but will be moving to 12% come 1 July 2025.
- For small businesses this amount is currently due to be paid on the 28th day of the month after the quarter ends (changes coming July 2026).
- If you are late with a payment (even 1 day late) the ATO expect you to lodge a super Guarantee Charge (SGC) statement with them, notifying them of your late payment.
- The Super Guarantee Charge (SGC) is then calculated by adding together the amount of super missed + an administration fee + a nominal interest charge.
- **Important Note** – The Interest they calculate is currently set at 10% and is calculated from the start of the quarter through to when the SGC statement is received by the ATO. Please note that the interest amount continues to calculate even if the super payment has actually been made. The critical date is the lodgement date of the SGC statement not when the late payment was actually made! This doesn't make logical sense to most of us but it is how the ATO are calculating the charge.
- The initial late super payment and the additional SGC amount you are required to pay are not tax deductible to your business.



So in a real life example you could potentially only miss paying your super requirements late by say 2 days. However if you do not notify the ATO and lodge an SGC statement, the ATO could then pick up this discrepancy in an SGC audit (say 2 years later) and have the ability to charge you with interest for that whole 2 year period (not just the two days you were actually late for) plus additional penalties and charges.

This is because you did not lodge the initial late form!

To rub salt into the wound you would then also not be able to claim the super you have paid as a tax deduction for that quarter and you will also not be able to claim the additional penalties you will be charged with as a tax deduction – That's a big penalty for being 2 days late with a payment!

So what are the takeaways:

- Always pay and lodge your super on time!
- If you need to, get a payment plan for your GST, but always pay your super on time!
- Ignorance will not count as an excuse
- Pay your super early as the fund actually needs to receive the money by the 28th (not just paid by you but received by the fund) before the due date
- If you are late for any reason, lodge the SGC form straight away and fess up, because it is too easy for the ATO to data match any discrepancies these days and the penalties are too high!

Last point – Be aware that the lodgement date for the December BAS is usually the 28th of February, but the super lodgement date for that quarter is still the 28th of January. So don't let the December quarter catch you out.

Please contact your accountant to discuss any of the above and how it may directly affect your business activities.