

Changes to super



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From 1 July 2013, businesses will need to start budgeting and paying a higher superannuation percentage to their employees super funds.

A gradual increase from the current 9% super guarantee rate to 12% over seven years will be applied.

With the current economic tribulations this increase in costs will see some businesses struggle. That is why planning now is imperative to ensure the compulsory gradual increase in super is paid.

Below is a breakdown of the seven year superannuation guarantee rates:

- 1 July 2013 – 9.25%
- 1 July 2014 – 9.50%
- 1 July 2015 – 10.00%
- 1 July 2016 – 10.50%
- 1 July 2017 – 11.00%
- 1 July 2018 – 11.50%
- 1 July 2019 and beyond – 12.00%

This superannuation increase will help build retirement funds dramatically over the long haul. It gives everyone a chance to have a retirement nest egg to start another chapter in their lives, later on, when they may not be able to work or want to.

To ensure your business is prepared for the increased rate, be sure to update your accounting systems and payroll to add the increase of the superannuation guarantee rate. And set a reminder at the beginning of every financial year to apply the new year's increase.

Another change starting from 1 July 2013 is there is no longer an upper age limit for making super guarantee contributions for an employee.

The change is to encourage mature workers to stay in the workforce. If you do have any employees aged 70 or over who are eligible, arrange to pay super contributions in their chosen fund from 1 July 2013.

Contact our tax accountants at Tax Matters & Business Affairs today on (03) 9416 1679 or email info@taxmatters.net.au.