



SUSPENSION – SUPPERANNUATION CONTRIBUTION RATE

The government has successfully suspended the rate of superannuation contribution at the rate of 9.5% of total salary and wages paid to an employee until 1 July 2021. On 2 September 2014 both houses of parliament passed legislation that, amongst other things, suspended the rate employers must contribute to an employee's superannuation fund each quarter without incurring a superannuation guarantee surcharge.

The legislated rate will remain at 9.5% of total salary and wages until 1 July 2021 when it will increase as set out in the table below.

What does this mean? Companies will need to adjust their wage forecasts and employees who are in receipt of a superannuation inclusive package will not see their take home pay reduced by superannuation increases.

Item	Year	Charge percentage
1	Year commencing 1 July 2014	9.5%
2	Year commencing 1 July 2021	10%
3	Year commencing 1 July 2022	10.5%
4	Year commencing 1 July 2023	11%
5	Year commencing 1 July 2024	11.5%
6	Year commencing 1 July 2025	12%