How to complete the Superannuation guarantee charge statement – quarterly

These instructions include:
- who must lodge a statement
- how to complete the statement
- when and where to lodge a statement, and
- a blank statement.

You only need to complete a statement if you:
- **did not** pay enough superannuation contributions for your eligible employees by the quarterly cut-off dates, or
- **did not** meet choice of superannuation fund requirements.

If you did not pay enough superannuation on time or you did not pay it to the correct fund, you will have to pay the superannuation guarantee charge. This is payable to the Tax Office and is not tax deductible.

For use for any quarter starting on or after 1 July 2003.

For more information, see Superannuation guarantee – a guide for employers (NAT 1987) available from our website www.ato.gov.au/super or phone our information line on 13 10 20.

Almost all of the superannuation guarantee charge collected by the Tax Office is paid into your employees’ superannuation funds.

For more copies of these instructions and statements, go to www.ato.gov.au/super or phone our information line on 13 10 20.
OUR COMMITMENT TO YOU
The information in this publication is current at January 2006.

In the taxpayers’ charter we commit to giving you information and advice you can rely on.

If you try to follow the information contained in this publication, and in doing so you make an honest mistake, you won’t be subject to a penalty. However, as well as any underpaid superannuation guarantee charge, we may ask you to pay further interest charges.

We make every effort to ensure that this information and advice is accurate. If you follow our advice, which subsequently turns out to be incorrect, or our advice is misleading and you make a mistake as a result, you won’t be subject to a penalty or further interest charge although you’ll still be required to pay any underpaid superannuation guarantee charge.

If you feel this publication does not fully cover your circumstances, please seek help from the Tax Office or a professional adviser. Since we regularly revise our publications to take account of any changes to the law, you should make sure this edition is the latest. The easiest way to do this is by checking for a more recent version on our website at www.ato.gov.au
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THE SUPERANNUATION GUARANTEE AND THE SUPERANNUATION GUARANTEE CHARGE

From 1 July 2003, all employers must pay superannuation contributions on a quarterly basis (that is every three months) for all their eligible employees.

TABLE 1: Quarterly cut-off dates to pay superannuation contributions to a complying superannuation fund

<table>
<thead>
<tr>
<th>Superannuation guarantee contributions payment quarter</th>
<th>Cut-off date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter 1 (1 July – 30 September)</td>
<td>28 October</td>
</tr>
<tr>
<td>Quarter 2 (1 October – 31 December)</td>
<td>28 January</td>
</tr>
<tr>
<td>Quarter 3 (1 January – 31 March)</td>
<td>28 April</td>
</tr>
<tr>
<td>Quarter 4 (1 April – 30 June)</td>
<td>28 July</td>
</tr>
</tbody>
</table>

Employers must pay a minimum of 9% of each eligible employee’s earnings base to a complying superannuation fund or retirement savings account.

If you do not pay enough superannuation for your employees by the cut-off date, you will have a superannuation guarantee (SG) shortfall and need to pay the superannuation guarantee charge to the Tax Office. If you do not meet the choice of superannuation fund requirements, you will have a choice liability.

If you have a superannuation guarantee shortfall or a choice liability (or both) you will have to pay interest on these amounts and an administration component of $20 per employee. This is called the superannuation guarantee charge.

If you paid a superannuation contribution late, that is, after the cut-off date but on or before the 28th day of the month following the cut-off date, you may be eligible to have the late contribution reduce the amount of superannuation guarantee charge you have to pay. (See part 4 of these instructions for further information.)

The superannuation guarantee charge should be paid in full to the Tax Office with this completed statement. This amount is forwarded to your employees’ superannuation fund minus the administration component.

If you have to pay the superannuation guarantee charge, you will need to complete the Superannuation guarantee charge statement and pay the charge to the Tax Office for all employees with a superannuation guarantee shortfall or choice liability.

There’s a benefit in paying your employee’s superannuation contributions on time and in full to their chosen superannuation fund, because these contributions are generally fully tax deductible. It is also the only way to avoid paying the superannuation guarantee charge to the Tax Office.

There is no tax deduction for the superannuation guarantee charge or for any late contribution used to offset part of the superannuation guarantee charge.

CHOICE OF SUPERANNUATION FUND

Employers are required to offer eligible employees the right to choose which superannuation fund will receive the compulsory 9% superannuation contributions that employers pay.

The choice liability will apply where you:

- did not offer choice
- did not action your employee’s valid choice nomination within two months
- paid contributions on time but not to the correct fund, or
- charged your employees a fee for changing superannuation funds or for making contributions for their benefit to a superannuation fund.

The choice liability is 25% of the superannuation contributions which were paid but did not meet the choice of fund requirements. It is limited to $500 for a notice period per employee.

What is a notice period?

Your notice period for an employee will start on either:

- 1 July 2005, or
- if the employee commences employment after 1 July 2005, the day on which the employee is first employed by you, or
- the day after the preceding notice period has ended.

You will receive written notification from the Commissioner when your notice period has ended. A notice period is generally made up of multiple quarters.
What is the choice liability cap?
The choice liability is limited to or ‘capped’ at $500 for a notice period per employee. For example, if the calculated choice liability for an employee for a notice period is $1,000, the actual choice liability can be no more than $500. This is the ‘choice liability cap’. This is the maximum amount you should pay in a notice period per employee.

EXAMPLE
If you are submitting two Superannuation guarantee charge statements to cover 1 July 2005 to 30 September 2005 (quarter 1) and 1 October 2005 to 31 December 2005 (quarter 2) and your notice period was from 1 July 2005 to 31 December 2005 inclusive, the maximum choice liability you would have to pay for this period would be $500 per employee.

At the time of lodging this Superannuation guarantee charge statement, if you have not been advised of the ending of a notice period, then your notice period will cover all of the quarters for which you are lodging.

The Tax Office can only reduce the choice liability – we cannot reduce the superannuation guarantee shortfall for contributions not paid by the cut-off dates. Further information about the reduction policy concerning the choice liability is available at www.ato.gov.au/super

HOW THE SUPERANNUATION GUARANTEE CHARGE IS CALCULATED
The superannuation guarantee charge is made up of three components.

1 Total of superannuation guarantee shortfall amounts for all employees
This combines both:
- employee SG shortfalls (excluding choice)
  For each eligible employee, the employee’s superannuation guarantee shortfall is calculated by multiplying the employee’s total salary or wages paid in the quarter by the employee’s individual shortfall percentage (see part 3 of these instructions), and
- choice of superannuation fund liabilities (‘choice liability’)
  For each eligible employee, the choice liability component of the superannuation guarantee charge is calculated using the following formula:
  $25\% \times (\text{notional quarterly shortfall}^* - \text{SG shortfall}) = \text{choice liability}
  * See the definition on page 7.

2 Nominal interest component
The interest component is calculated on the total amount of the above shortfalls for the financial quarter you are reporting. The current interest rate is 10% per annum.

\[
\text{Nominal interest} = \left( \frac{\text{Subtotal} \times \text{number of days for which interest applies (nominal)}}{365} \right) \times 10 \times \frac{100}{100}
\]

* See the definition on page 7 for further information on nominal interest days.

3 Administration component
The administration component is $20 for each employee reported in the Superannuation guarantee charge statement. This is intended to cover some of our cost of administering the law.

The total of 1, 2 and 3 is known as the superannuation guarantee charge, as shown below.

\[
\text{Employee SG shortfall} + \text{Choice liabilities (subtotal)} + \text{Nominal interest component} + \text{Administration component} = \text{Total superannuation guarantee charge}
\]

COMPLETING THE SUPERANNUATION GUARANTEE CHARGE STATEMENT – QUARTERLY
If you have not paid enough superannuation or you did not meet the choice requirements, you will need to complete a statement. You need to complete a statement for each quarter where you have not met your superannuation guarantee obligations. So if you did not meet your superannuation guarantee obligations for more than one quarter you will need to complete more than one statement.

You will need to have the following information ready for each eligible employee before you start to complete the statement.

1 Employee’s name, address, chosen superannuation fund (if applicable) and their tax file number (TFN).
2 Employee’s earnings base for the quarter.
3 Employee’s total salary or wages paid to the employee during the quarter.
4 Details of superannuation contributions paid to the quarter.

HOW TO COMPLETE THE SUPERANNUATION GUARANTEE CHARGE STATEMENT – QUARTERLY

1. Employee’s name, address, chosen superannuation fund (if applicable) and their tax file number (TFN).
2. Employee’s earnings base for the quarter.
3. Employee’s total salary or wages paid to the employee during the quarter.
4. Details of superannuation contributions paid to the quarter.

The total of 1, 2 and 3 is known as the superannuation guarantee charge, as shown below.

\[
\text{Employee SG shortfall} + \text{Choice liabilities (subtotal)} + \text{Nominal interest component} + \text{Administration component} = \text{Total superannuation guarantee charge}
\]
LATE PAYMENT OFFSET
If you make a late payment of superannuation contributions to a fund (but still pay by the due date for lodgment), this late payment can be used to offset your superannuation guarantee charge. The due date for lodgment is the 28th day of the month following the cut-off date for payment.

Key points:
- A late payment offset applies to late payments made on or after 1 January 2006 paid for the quarter ending 31 December 2005 and all subsequent quarters.
- A late payment offset applies to late superannuation guarantee payments made after the cut-off date for contributions but on or before the due date for lodgment of the Superannuation guarantee charge statement (see table below).
- You will still need to lodge a Superannuation guarantee charge statement.
- Any late payment amount applied as an offset against your superannuation guarantee charge becomes non-tax deductible, and
- The late payment can only be applied against the superannuation guarantee charge for the employee for which the late contribution was made.

WHERE TO SEND THE COMPLETED STATEMENT
Send your payment of the superannuation guarantee charge in full to the Tax Office with the completed Superannuation guarantee charge statement.

If you need help with completing this statement or have questions about making payment, phone us on 13 10 20.

Cheques should be made payable to the Deputy Commissioner of Taxation and crossed ‘Not negotiable’.

Send your completed Superannuation guarantee charge statement and payment to:
Australian Taxation Office
PO Box 277
World Trade Centre VIC 8005

If you need more copies of this statement, download them at www.ato.gov.au/super or phone 13 10 20.

For further information see part 4 (page 21) of the instructions.

TABLE 2: Key superannuation dates

<table>
<thead>
<tr>
<th>For the quarter ended</th>
<th>Cut-off date to pay superannuation contributions to a fund</th>
<th>Last day to have made a late payment to a fund for the late payment offset</th>
<th>Due dates for lodgment and payment of the superannuation guarantee charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 September (Quarter 1)</td>
<td>28 October</td>
<td>28 November</td>
<td>28 November*</td>
</tr>
<tr>
<td>31 December (Quarter 2)</td>
<td>28 January</td>
<td>28 February</td>
<td>28 February</td>
</tr>
<tr>
<td>31 March (Quarter 3)</td>
<td>28 April</td>
<td>28 May</td>
<td>28 May</td>
</tr>
<tr>
<td>30 June (Quarter 4)</td>
<td>28 July</td>
<td>28 August</td>
<td>28 August</td>
</tr>
</tbody>
</table>

* Please note from 1 January 2006 the due date for lodgment of the Superannuation guarantee charge statement – quarterly (NAT 9599) and payment of the superannuation guarantee charge has been extended by 14 days to the 28th day of the month after the cut-off date for payments to the superannuation fund.

You will not receive a notice of assessment if we agree with your completed Superannuation guarantee charge statement. If we amend your assessment in any way, you will receive details of the changes.
FLOW CHART

Did you pay sufficient superannuation by the cut-off date to a complying fund?

Yes

Did you meet the choice requirements for each of your eligible employees?

Yes

You do not have to complete this statement.

No

You have a choice liability. Go to pages 2 and 3 for information.

Or

Go to Example 3 on page 17 and Example 4 on page 18.

No

Did you pay some superannuation by the cut-off date to a complying fund?

Yes

Did you pay it to the correct fund?

Yes

You have a superannuation guarantee shortfall. Go to pages 3 and 8 for information.

No

You have a superannuation guarantee shortfall and a choice liability. Go to pages 3 and 8 for information.

Or

Go to Example 5 on page 19 and Example 6 on page 20.

No

You have a superannuation guarantee shortfall. Go to pages 3 and 8 for information.

Or

Go to Example 2 on page 16.

No

You have a superannuation guarantee shortfall. Go to pages 3 and 8 for information.

Or

Go to Example 3 on page 17 and Example 4 on page 18.

Or

Go to Example 5 on page 19 and Example 6 on page 20.

OFFSET FOR LATE PAYMENT
You may be entitled to an offset. See page 21 for details.
DEFINITIONS

Administration component
The administration component represents part of the Tax Office’s cost of collecting the superannuation guarantee charge and distributing employee entitlements to superannuation funds. For each quarter of the 2003–04 financial year and subsequent years, $20 is charged for each employee who has a shortfall.

Choice liability
The choice liability is the part of the superannuation guarantee shortfall which an employer has to pay to the Tax Office if they have not paid an employee’s superannuation into the correct fund. The choice liability is 25% of the contributions that should have been paid to the correct fund, capped at $500 per employee per notice period.

Choice liability cap
The choice liability is limited to $500 for a notice period for each employee. For example, if the choice liability for an employee is $750, the actual liability can be no more than $500 per notice period. This is the called the ‘choice liability cap’.

Choice of superannuation fund
Eligible employees have the right to choose the superannuation fund to which their employer pays their superannuation. It started on 1 July 2005.

Chosen fund
A chosen fund is a fund that the employee nominates in writing to the employer. It is the fund into which they want their employer superannuation contributions to be paid.

Complying superannuation fund
This is a fund that meets certain regulatory requirements. You need to confirm this with the trustee of the fund.

Earnings base for a quarter
An employee’s earnings base is the amount from which the 9% superannuation guarantee contribution must be calculated. Most employers already use ordinary time earnings but all employers must use ordinary time earnings from 1 July 2008.

There are some historical earnings bases which can be used by some employers until 30 June 2008. These are usually found in superannuation fund trust deeds, industrial awards or other documented agreements with employees.

 Eligible employees for choice of superannuation fund
Eligible employees are those who are entitled to choose which superannuation fund or retirement savings account will receive their employer superannuation contributions.

 Eligible employees for superannuation guarantee
Eligible employees are those who are eligible to receive 9% superannuation paid for their benefit by their employer, additional to salary or wages.

Employer fund
The employer makes contributions to this superannuation fund on behalf of an employee if the employee has not nominated a chosen fund. It is commonly referred to as the employer’s default fund.

Insurance requirements
With some exceptions, an employer fund must offer life insurance for members. As a general principle, the offer should be such that the member can readily receive the minimum coverage. As long as the employer fund offers the minimum level of insurance to the employee, this requirement is met.

Late payment
Payment of superannuation contributions an employer has paid to a fund for an employee after the cut-off date (that is, after the 28th day following the end of the quarter). Contributions eligible for the offset are paid after the 28th day following the end of the quarter, but before the 28th day of the next month.

Late payment election amount
The amount of late superannuation contributions paid for a particular quarter for an employee, which the employer elects to offset against the superannuation guarantee charge. Taking into consideration that by making an election:

- they will not be able to withdraw the election nor will they generally be able to change the late payment election amount
- late payments used to offset the superannuation guarantee charge become non-tax deductible for income tax purposes, and
- late payments used to offset the superannuation guarantee charge cannot be used as a prepayment for current or future superannuation contributions.

Nominal interest component
The nominal interest component makes up for the interest that is lost to employees because their employer failed to provide appropriate superannuation support in a quarter. It is worked out by multiplying the employer's combined superannuation guarantee shortfalls and choice liabilities for the quarter by an interest rate of 10% per annum (see the ‘Nominal interest days’ definition to determine the period).

For example, for the quarter ended 30 June 2006, where an employer lodged the Superannuation guarantee charge statement by the due date for lodgment, 28 August 2006, the interest is calculated from 1 April 2006 to 28 August 2006 (not including 28 August).

The nominal interest for this example would be calculated as follows:

\[
\frac{149}{365} \times \frac{10}{100} \times (\text{the employer's combined SG shortfalls and choice liabilities})
\]

If the statement was lodged after 28 August 2006, the interest is calculated from 1 April 2006 to the actual date of lodgment (but not including the day of lodgment)

Nominal interest days
Nominal interest is calculated from the first day of the relevant quarter to the later of the date the Superannuation guarantee charge statement was due for lodgment or the date it was actually lodged.

If the statement is lodged by the due date the following number of days are to be used in the nominal interest calculation.

<table>
<thead>
<tr>
<th>Quarter ended</th>
<th>Due date for lodgment* of the statement and payment of the charge</th>
<th>Number of days for which interest applies if the statement is lodged by the due date*</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 September 2005</td>
<td>14 November 2005</td>
<td>136</td>
</tr>
<tr>
<td>31 December 2005</td>
<td>28 February 2006</td>
<td>150</td>
</tr>
<tr>
<td>31 March 2006</td>
<td>28 May 2006</td>
<td>147</td>
</tr>
<tr>
<td>30 June 2006</td>
<td>28 August 2006</td>
<td>149</td>
</tr>
<tr>
<td>30 September 2006</td>
<td>28 November 2006</td>
<td>150</td>
</tr>
</tbody>
</table>

* Please note the due date for payment and lodgment of the Superannuation guarantee statement changed for the quarter ending 31 December 2005 and subsequent quarters from the 14th to the 28th day of the month following the cut-off date for payment.

If the statement was lodged after the due date the interest is calculated from the first day of the quarter to the actual date of lodgment of the statement with the Tax Office (not including the day of lodgment).

Notice period (for choice of fund obligations)
An employer's notice period for an employee will start on:
- 1 July 2005, or
- if the employee commences employment after 1 July 2005, the day on which the employee is first employed, or
- the day after the preceding notice period has ended.

You will receive written notification from the Tax Office when your notice period has ended. A notice period is made up of multiple quarters.

At the time of lodging this Superannuation guarantee charge statement, if the Commissioner has not previously written to you advising you that your notice period has ended, then your notice period will cover all of the quarters for which you are lodging.

Notional quarterly shortfall
This is 9% of an employee's total salary and wages for the quarter, less any contributions paid to the correct fund by the cut-off date for that quarter.

Offset amount
The amount of late payments of superannuation contributions that have been claimed which have been used to reduce the individual superannuation guarantee charge for a particular employee. The offset amount calculated for each employee may be less than the late payment election amount for that employee. Any offset amount cannot be used as a prepayment for current or future contributions.

Ordinary time earnings
The amount an employee earns for their ordinary hours of work. Ordinary time earnings is used as a default earnings base if there are no other acceptable earnings bases relevant to a particular employee. Ordinary time earnings is the only allowable earnings base from 1 July 2008.

Retirement savings account (RSA)
RSAs are offered by approved financial institutions. Just like complying superannuation funds, they accept superannuation contributions for, and provide benefits upon retirement or death of, the account holders.
Salary or wages
Under the superannuation guarantee, salary or wages are generally any periodical payment made to a person in return for work or services.

Standard choice form
A form given to those employees who are eligible to choose a fund. It includes the name of the fund the employer will contribute to if the employee does not choose a fund, and other information.

Subtotal
The total of any superannuation guarantee shortfalls and choice liabilities. This amount is used to calculate the nominal interest.

Superannuation fund number (SFN)
The SFN is used to identify the legal structure of a superannuation fund. It is issued by the Australian Prudential Regulation Authority (APRA).

Superannuation guarantee (SG)
The minimum level of superannuation employers must pay for their eligible employees. Currently, employers must pay at least 9% of an employee’s earnings base into a complying superannuation fund.

Superannuation guarantee charge (SGC)
The charge paid to the Tax Office if an employer does not pay any (or sufficient) superannuation contributions by the 28th day after the end of the quarter.

Superannuation guarantee charge statement
The form used by employers and their representatives to notify the Tax Office that they have not paid any (or sufficient) superannuation contributions by the quarterly cut-off date, or have not met their choice of superannuation fund obligations for an employee.

Superannuation guarantee shortfall
If you do not pay any (or sufficient) superannuation contributions for each of your eligible employees, you will have a shortfall that you will have to make up by paying the superannuation guarantee charge and lodging a Superannuation guarantee charge statement with the Tax Office.

Superannuation product identification number (SPIN)
A unique identifier superannuation funds use to identify their products. SPINs can be identified by using the SPIN search at www.spindirectory.com.au or contacting the relevant superannuation fund.

Total late payment election amount
The total of all the late payment election amounts for all employees for the quarter.

Total offset amount
The total of all the offset amounts for all employees for the quarter.
POSSIBLE PENALTIES

**General interest charge**
If you lodge the *Superannuation guarantee charge statement* but do not pay the superannuation guarantee charge by the due date*, you have to pay an additional charge. This is called the general interest charge (GIC) and it accrues from the superannuation guarantee charge due date until the date your superannuation guarantee account is fully paid. GIC is calculated on a daily compounding basis and is tax deductible.

* The superannuation guarantee charge is due and payable on the latter of:
  - the 28th day of the second month after the end of a quarter, or
  - the day on which the *Superannuation guarantee charge statement* is lodged.

**Tax shortfall amount**
If the amount of superannuation guarantee charge you pay is less than it should have been, you have a tax shortfall amount. If this amount is a result of you making false or misleading statements, the base penalty amount that can be imposed is 75% of the tax shortfall, in addition to payment of the shortfall itself. This base penalty amount may be varied according to the circumstances of the case.

**Not lodging a statement when required**
If you fail to lodge a statement or information when required, you may have to pay a penalty. The maximum penalty is 200% of the superannuation guarantee charge payable.

**Entering into avoidance arrangements**
If you enter into an arrangement to reduce or avoid your liability for the superannuation guarantee charge, you have to pay the charge that was avoided and may have to pay a penalty of 50% of the amount you avoided paying. The base penalty may be varied according to the circumstances of the case.

THE DISADVANTAGES OF THE SUPERANNUATION GUARANTEE CHARGE

The disadvantages of paying the superannuation guarantee charge are that:
- an interest component and an administration fee is payable on top of the superannuation guarantee shortfall and choice liability
- the shortfall calculation is based on total salary or wages, which can be more than the earnings base
- you will also have to pay the general interest charge if you are late with your superannuation guarantee charge payment
- you will have to put time into preparing a *Superannuation guarantee charge statement* and calculating the charge, and
- the charge (including any superannuation guarantee shortfall) is not tax deductible, unlike most superannuation contributions.

KEEPING RECORDS

You must keep your information for five years after the statement is lodged. Keep information about how you calculated any superannuation guarantee shortfalls and/or choice liabilities and proof of late contribution election amounts applied to offset the superannuation guarantee charge. There are penalties which may be applied if you fail to keep adequate records.

To report for financial years before 1 July 2003, you will need to complete the *Superannuation guarantee charge statement – annual* (NAT 2224). This statement is available on our website [www.ato.gov.au/super](http://www.ato.gov.au/super) or by phoning 13 10 20.
SECTION A: EMPLOYER DETAILS
This section is for the employer to provide their business and contact details. This section of the statement must be completed in full.

Question 1
This statement is for the quarter ended
Write the end date of the financial quarter you are reporting. Each quarter you are reporting requires a separate statement.

<table>
<thead>
<tr>
<th>Superannuation guarantee quarters</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter 1</td>
<td>(1 July – 30 September)</td>
</tr>
<tr>
<td>Quarter 2</td>
<td>(1 October – 31 December)</td>
</tr>
<tr>
<td>Quarter 3</td>
<td>(1 January – 31 March)</td>
</tr>
<tr>
<td>Quarter 4</td>
<td>(1 April – 30 June)</td>
</tr>
</tbody>
</table>

Question 2
Employer's tax file number (TFN)
Write your business TFN here. The Tax Office is authorised by the Taxation Administration Act 1953 to request TFNs for this purpose. It is not an offence if you do not quote your TFN. However, if you do quote your TFN, it will help us to process this statement more efficiently. If you are an income tax exempt organisation and you do not have a TFN, write EXEMPT in the boxes provided.

Question 3
Employer's Australian business number (ABN)
Write your ABN here. This is the ABN you use on your employee's payment summaries.

Question 4
Employer's full legal business name
If this statement is completed on behalf of a registered company, write the name registered with the Australian Securities and Investments Commission (ASIC). Otherwise, write the name of the partnership, trust estate or individual.

Question 5
Employer's trading name (if applicable)
Write the name you trade under or that which is known by your suppliers or customers. It may be different from your legal name.

Question 6
Employer's postal address for service of superannuation guarantee (SG) notices
Write your current postal address for receiving notices from us.

Question 7
Employer's main business address
This must be a street address, not a post office box. Write the street name and number, the suburb/town/locality, the state/territory and the postcode of the business’ place of central management. It should be the place where most of the business decisions are made.

Question 8
Authorised contact name and phone numbers
Write the name of an authorised contact person and their numbers so we can quickly contact your organisation if we need further information.

SECTION B: EMPLOYEE DETAILS
This section of the statement asks for details of each employee for which you are reporting an SG shortfall and/or choice liability.

Question 9
Employee's tax file number (TFN)
Write the TFN shown on the employee's Employment Declaration or TFN Declaration.

Question 10
Employee's full name
Write the full name shown on the employee’s Employment Declaration or TFN Declaration. If the employee has since changed names, show their current name.
Question 11  
Employee's date of birth  
Write the employee's date of birth shown on their Employment Declaration or TFN Declaration.

Question 12  
Employee's postal address  
Write the employee's last known postal address. If this is not known, use the residential address on their Employment Declaration or TFN Declaration.

FOR QUESTIONS 13 TO 15  
Examples on how to calculate the superannuation guarantee shortfall and choice liability are in part 3 (page 14) of these instructions. A blank calculation worksheet is included to help you calculate each employee's superannuation guarantee shortfall and/or choice liability. Photocopy the blank calculation worksheet on page 14 to work out which of your employees has a superannuation guarantee shortfall and/or choice liability. When you have calculated the superannuation guarantee shortfalls and choice liabilities, you can then work out the superannuation guarantee charge you pay to the Tax Office.

Do not send us your calculation worksheets with the statement. They are for your use only. Keep the worksheets for your records.

Question 13  
Employee's superannuation guarantee shortfall (excluding choice) (label H in section B of the statement).  
Write the shortfall amount that you worked out for the employee on your blank calculation worksheet. Details and examples on how to calculate the shortfall and liability for questions 13 to 15 are in part 3, starting on page 14 of these instructions.

Question 14  
Your choice liability for this employee (label I in section B of the statement).  
Write the amount that you worked out for the employee's choice liability on your blank calculation worksheet (see page 2 of these instructions for more information about choice of superannuation fund). Details on how to calculate superannuation guarantee shortfalls and/or choice liabilities for questions 13 to 15 are in part 3 of these instructions.

Question 15  
Employee's subtotal (label J in section B of the statement).  
Add up the superannuation guarantee shortfall and choice liability dollar amounts at questions 13 and 14 and write the total here.

Question 16  
Employee's nominated fund details  
Write the following fund details:
- the employee's correct fund name
- the fund's ABN
- the superannuation product identification number (SPIN)
- the superannuation fund number (SFN), and
- the employee's member number with the fund.

When completing question 16, always write the details of the employee's current fund. Do not record details of any funds they belonged to in previous quarters.

SECTION C: LATE PAYMENT OFFSET  
FOR QUESTIONS 18 AND 19  
Examples on how to calculate the late payment offset are in part 4 (page 21) of these instructions.

A blank calculation worksheet is included to help you calculate each employee's superannuation guarantee shortfall and/or choice liability. Photocopy the blank calculation worksheet on page 24 to work out the late payment offset amount for your employees. You can then work out the remaining superannuation guarantee charge you pay to the Tax Office.

Do not send us your calculation worksheets with the statement. They are for your use only. Keep the worksheets for your records.

Question 18  
Your late payment election amount (label N in section C of the statement).  
Write the late payment election amount for this employee that you want to elect to claim as a late payment offset. See the definitions on page 6 for further information on late payments.
Question 19
Your offset amount (label S in section C of the statement).
Write the total offset which can be applied against the employee’s subtotal (label J in section B of the statement). For more information see page 21 of the instructions and the calculation worksheets on pages 24 to 26 of the instructions.
The offset amount will be the lesser of the late payment election amount (question 18) or the employee’s subtotal (question 15) plus the nominal interest component calculated for that employee. Details on how to calculate this amount are in part 4, page 21, of these instructions.

The offset amount allowed may be less than the late contribution election amount claimed. If there are amendments at a future time the difference may then be applied as an offset. Note that any offset amount cannot be used as a prepayment for current or future contributions. If an offset amount is less than the late payment election, the excess amount may be taken into account as a current or future contribution for the employee. This is provided that it is taken into account within 12 months of being paid to the fund.

SECTION D: EMPLOYEE DETAILS TOTALS
This section of the statement is to record the total of all the employee details you provided in section B.

Question 20
Number of employees included in this statement
Write the total number of employees you have included in section B of this statement in the box provided.

Question 21
Total SG shortfalls for the quarter (label H in section D of the statement).
Add up all the amounts you recorded at question 13 in section B for all of your employees, and write the total here.

Question 22
Total choice liabilities for the quarter (label I in section D of the statement).
Add up all the liabilities you have recorded at question 14 in section B in this statement and write the total here.

When you are completing the Superannuation guarantee charge statement for a period before 1 July 2005, you will need to insert zero ‘0’ in all the choice liability calculation boxes.

Question 23
Subtotal for the quarter (label J in section C of the statement).
Add up the amounts at labels H and I and write the total here.

Question 24
Nominal interest component (label K in section C of the statement).
The nominal interest component is 10% per annum of the subtotal amount (question 23).
The formula for working out the nominal interest is:

\[ \text{Nominal interest} = \text{Subtotal} \times \frac{\text{Number of days for which interest applies}}{365} \times \frac{10}{100} \]

(See the ‘Nominal interest component’ and ‘Nominal interest days’ definitions on page 7 for more information.)

Question 25
Administration component (label L in section D of the statement).
The administration component is $20 per quarter for each employee recorded in this statement.

Question 26
Superannuation guarantee charge (label M in section D of the statement).
Your superannuation guarantee charge is calculated by adding up the amounts at labels J, K and L.

This is the amount of superannuation guarantee charge calculated for the quarter. If you have not elected a late payment offset this is the amount you need to pay to the Tax Office when you lodge the Superannuation guarantee charge statement.

SECTION E: LATE PAYMENT OFFSET TOTALS

Question 27
Number of employees included in the offset for late payments in section C
Write the total number of employees that you have elected to claim the late payment offset for. Add up the number of employees you set out in section C, and write the total in the box provided.
Question 28
Total late payment election amount (label N in section E of the statement).
Add up all the amounts you recorded at question 18 in section C for all of your employees. Write the total here.

Question 29
Total offset amount (label S in section E of the statement).
Add up all the amounts you recorded at question 19 in section C for all of your employees. Write the total here.

Question 30
Total superannuation guarantee charge payable (label T in section E of the statement).
At this question, you work out your superannuation guarantee charge. Deduct the amount recorded at label S from the amount at label M. Write the balance here.

SECTION G: AGENT’S DECLARATION
If the statement is prepared by an agent, then the agent must complete this declaration.

PAYMENT SLIP
This section needs to be completed to show the:
- quarter ended
- full legal name of employer
- employer’s ABN
- employer’s TFN, and
- payment amount.

MORE INFORMATION
If you need more information about completing the Superannuation guarantee charge statement see the ‘More information’ section at the back of these instructions. Alternatively contact your tax agent or accountant.

SECTION F: EMPLOYER’S DECLARATION
This declaration and the first page of any attachments must be signed by a:
- senior partner of a partnership
- trustee or public officer of a trust estate
- public officer of a company, or
- the proprietor of a sole trader business.

If this declaration is not signed when this Superannuation guarantee charge statement is lodged, the statement is considered to be incomplete and may be returned to you.
Nominal interest continues to accrue until a completed and signed statement is lodged.
BLANK CALCULATION WORKSHEET

Photocopy this worksheet to calculate your SG shortfall and choice liability for each employee.

**STEP 1: QUARTERLY REQUIRED INFORMATION**

- Employee’s earnings base
- Employee’s total salary or wages
- Total superannuation contribution paid by the cut-off date (Write the number zero “0” if nothing paid by the cut-off date)
- Superannuation contribution paid to employee’s chosen fund by the cut-off date (could be an identical dollar figure to label C)
- Total SG contribution paid by the cut-off date in % (C ÷ A x 100)
- Total SG contribution paid to employee’s chosen fund by the cut-off date in % (D ÷ A x 100)

**STEP 2: PREPARATION CALCULATION**

Notional quarterly shortfall in $ Calculate

\[ 9 - \frac{F}{100} \times G = \]

**STEP 3: QUARTERLY SHORTFALL CALCULATIONS**

SG shortfall Calculate

\[ 9 - \frac{E}{100} \times B = \]

Choice liability Calculate

\[ 0.25 \times (G - H) = \]

**STEP 4: SUBTOTAL**

Subtotal for this employee Calculate

\[ H + I = \]

- If the total choice liability for an employee is more than $500, write $500 only. See page 3 for information about the choice liability cap.

Write the values at H, I and J on the Superannuation guarantee charge statement.

Do not send us your calculation worksheets with the statement. This worksheet is for your use only. Keep the worksheets for your records.
**EXAMPLE 1: You did not pay any superannuation for your employee**

Luke Kite is an employee of Tree Pty Ltd during the quarter ended 31 December 2006. Tree Pty Ltd did not pay any superannuation contributions for Luke for the quarter.

Luke’s earnings base for the quarter is $8,000, but his total salary or wages for the quarter are $11,800.

As Luke’s employer paid no superannuation contributions to any fund, the choice liability is not applicable in this example.

### STEP 1: QUARTERLY REQUIRED INFORMATION

- Luke’s earnings base: $8,000
- Luke’s total salary or wages: $11,800

**Step 1:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total superannuation contribution paid by the cut-off date</td>
<td>$0</td>
</tr>
<tr>
<td>Superannuation contribution paid to Luke’s chosen fund by the cut-off date</td>
<td>$0</td>
</tr>
<tr>
<td>Total SG contribution paid to Luke’s chosen fund by the cut-off date in %</td>
<td>$0</td>
</tr>
</tbody>
</table>

### STEP 2: PREPARATION CALCULATION

**Step 2:**

\[
\text{Notional quarterly shortfall in $} = \frac{9 - F}{100} \times 11,800 = 1,062
\]

\[
B = 1,062
\]

### STEP 3: QUARTERLY SHORTFALL CALCULATIONS

**Step 3:**

\[
\text{SG shortfall} = \frac{9 - E}{100} \times 11,800 = 1,062
\]

\[
\text{Choice liability} = \frac{G - H}{100} = 0
\]

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SG shortfall</td>
<td>$1,062</td>
</tr>
<tr>
<td>Choice liability</td>
<td>$0</td>
</tr>
</tbody>
</table>

### STEP 4: SUBTOTAL

**Step 4:**

\[
\text{Subtotal for Luke} = H + I = 1,062 + 0 = 1,062
\]

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtotal for Luke</td>
<td>$1,062</td>
</tr>
</tbody>
</table>

Photocopy the blank calculation worksheet on page 14 to work out your own employee’s superannuation guarantee shortfalls and choice liabilities. The example provided below is to show how you can do the calculations so you can fill in sections B and C of the Superannuation guarantee charge statement.
EXAMPLE 2: You only paid some superannuation to the correct fund

Karen Atkins commenced employment with Cost Pty Ltd on 3 October 2006 and is employed for the rest of the quarter ended 31 December 2006.

Karen’s earnings base for the quarter is $15,000, but her total salary or wages for the quarter are $17,300.

Cost Pty Ltd offered choice of superannuation fund to Karen and she chose Neat Superannuation Fund.

Cost Pty Ltd paid a $900 superannuation guarantee contribution to Neat Superannuation Fund (Karen’s chosen fund) in December.

Photocopy the blank calculation worksheet on page 14 to work out your own employee’s superannuation guarantee shortfalls and choice liabilities. The example provided below is to show how you can do the calculations so you can fill in sections B and C of the Superannuation guarantee charge statement.

### Step 1: Quarterly Required Information

<table>
<thead>
<tr>
<th>Information</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karen’s earnings base</td>
<td>$15,000</td>
</tr>
<tr>
<td>Karen’s total salary or wages</td>
<td>$17,300</td>
</tr>
<tr>
<td>Total superannuation contribution paid by the cut-off date</td>
<td>$900</td>
</tr>
<tr>
<td>Superannuation contribution paid to Karen’s chosen fund by the cut-off date</td>
<td>$900</td>
</tr>
<tr>
<td>Total SG contribution paid to Karen’s chosen fund by the cut-off date in % (C ÷ A x 100)</td>
<td>6</td>
</tr>
<tr>
<td>Total SG contribution paid by the cut-off date in % (D ÷ A x 100)</td>
<td>6</td>
</tr>
</tbody>
</table>

### Step 2: Preparation Calculation

\[
9 - F \div 100 \times B = G
\]

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 - F \div 100 \times $17,300</td>
<td>$519</td>
</tr>
</tbody>
</table>

### Step 3: Quarterly Shortfall Calculations

\[
SG \text{ shortfall} \div 100 \times B = H
\]

\[
Choice \text{ liability} \times 0.25 = I
\]

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 \div 100 \times $17,300</td>
<td>$519</td>
</tr>
<tr>
<td>0.25 \times 0</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Step 4: Subtotal

\[
H + I = J
\]

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>$519 + $0</td>
<td>$519</td>
</tr>
</tbody>
</table>

If the total choice liability for an employee is more than $500, write $500 only. See page 3 for information about the choice liability cap.
**EXAMPLE 3: You paid the correct amount on time but not to the correct superannuation fund**

Karen Atkins commenced employment with Cost Pty Ltd on 3 October 2006 and is employed for the rest of the quarter ended 31 December 2006.

Karen’s earnings base for the quarter is $15,000, but her total salary or wages for the quarter is $17,300.

Cost Pty Ltd offered choice of superannuation fund to Karen and she chose Neat Superannuation Fund.

But Cost Pty Ltd paid Karen’s superannuation contributions of $1,350 to Prime Superannuation Fund (the employer fund).

**NOTE:** If you have a choice liability, it is limited to $500 for a notice period per employee.

Photocopy the blank calculation worksheet on page 14 to work out your own employee’s superannuation guarantee shortfalls and choice liabilities. The example provided below is to show how you can do the calculations so you can fill in sections B and C of the Superannuation guarantee charge statement.

---

### STEP 1: QUARTERLY REQUIRED INFORMATION

<table>
<thead>
<tr>
<th>Description</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karen’s earnings base</td>
<td>$15,000</td>
</tr>
<tr>
<td>Karen’s total salary or wages</td>
<td>$17,300</td>
</tr>
<tr>
<td>Total superannuation contribution paid by the cut-off date</td>
<td>$1,350</td>
</tr>
<tr>
<td>Superannuation contribution paid to Karen’s chosen fund by the cut-off date</td>
<td>$0</td>
</tr>
<tr>
<td>Total SG contribution paid to Karen’s chosen fund by the cut-off date in %</td>
<td>9</td>
</tr>
</tbody>
</table>

### STEP 2: PREPARATION CALCULATION

Notional quarterly shortfall in $ \( 9 - \frac{F}{100} \times B \)

<table>
<thead>
<tr>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 - F</td>
</tr>
<tr>
<td>B</td>
</tr>
</tbody>
</table>

### STEP 3: QUARTERLY SHORTFALL CALCULATIONS

SG shortfall \( \frac{G - H}{100} \)

<table>
<thead>
<tr>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - E</td>
</tr>
<tr>
<td>H</td>
</tr>
</tbody>
</table>

Choice liability \( 0.25 \times I \)

<table>
<thead>
<tr>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.25 \times 1,557</td>
</tr>
<tr>
<td>I</td>
</tr>
</tbody>
</table>

### STEP 4: SUBTOTAL

Subtotal for Karen \( H + I \)

<table>
<thead>
<tr>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 + 389.25</td>
</tr>
<tr>
<td>J</td>
</tr>
</tbody>
</table>
EXAMPLE 4: You paid the correct amount on time but only some of it was paid to the correct superannuation fund

Karen Atkins commenced employment with Cost Pty Ltd on 3 October 2006 and is employed for the rest of the quarter ended 31 December 2006.

Karen’s earnings base for the quarter is $15,000, but her total salary or wages for the quarter is $17,300.

Cost Pty Ltd offered choice of superannuation fund to Karen and she chose Neat Superannuation Fund.

Cost Pty Ltd paid $750 superannuation contributions to Neat Superannuation Fund (Karen’s chosen fund) and $600 superannuation contributions to Prime Superannuation Fund (the employer fund).

NOTE: If you have a choice liability, it is limited to $500 for a notice period per employee.

Photocopy the blank calculation worksheet on page 14 to work out your own employee’s superannuation guarantee shortfalls and choice liabilities. The example provided below is to show how you can do the calculations so you can fill in sections B and C of the Superannuation guarantee charge statement.

### STEP 1: QUARTERLY REQUIRED INFORMATION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karen’s earnings base</td>
<td>$15,000</td>
</tr>
<tr>
<td>Karen’s total salary or wages</td>
<td>$17,300</td>
</tr>
<tr>
<td>Total superannuation contribution paid by the cut-off date (Write the number zero ‘0’ if nothing paid by the cut-off date)</td>
<td>$1,350</td>
</tr>
<tr>
<td>Superannuation contribution paid to Karen’s chosen fund by the cut-off date (could be an identical dollar figure to label C)</td>
<td>$750</td>
</tr>
<tr>
<td>Total SG contribution paid by the cut-off date in % ((\frac{C}{A} \times 100))</td>
<td>9</td>
</tr>
<tr>
<td>Total SG contribution paid to Karen’s chosen fund by the cut-off date in % ((\frac{D}{A} \times 100))</td>
<td>5</td>
</tr>
</tbody>
</table>

### STEP 2: PREPARATION CALCULATION

Notional quarterly shortfall in $ \(9 - \frac{F}{100} \times B\)

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4 \div 100 \times 17,300)</td>
<td>$692</td>
</tr>
</tbody>
</table>

### STEP 3: QUARTERLY SHORTFALL CALCULATIONS

SG shortfall \(9 - \frac{E}{100} \times B\)

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>(0 \div 100 \times 17,300)</td>
<td>$0</td>
</tr>
</tbody>
</table>

Choice liability \(0.25 \times \frac{G - H}{I}\)

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>(0.25 \times 692)</td>
<td>$173</td>
</tr>
</tbody>
</table>

### STEP 4: SUBTOTAL

Subtotal for Karen \(H + I\)

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 + 173)</td>
<td>$173</td>
</tr>
</tbody>
</table>

If the total choice liability for an employee is more than $500, write $500 only. See page 3 for information about the choice liability cap.
EXAMPLE 5: You did not pay enough superannuation and you did not pay any of it to the correct fund

Karen Atkins is an employee of Cost Pty Ltd. Karen commenced employment with Cost Pty Ltd on 3 October 2006 and is employed for the rest of the quarter ended 31 December 2006.

Karen’s earnings base for the quarter is $15,000, but her total salary or wages for the quarter is $17,300.

Cost Pty Ltd offered choice of superannuation fund to Karen and chose Neat Superannuation Fund. Cost Pty Ltd paid no contributions to her chosen fund for the quarter.

But Cost Pty Ltd did pay a $750 superannuation guarantee contribution to Prime Superannuation Fund (the employer fund) for the quarter.

NOTE: If you have a choice liability, it is limited to $500 for a notice period per employee.

Photocopy the blank calculation worksheet on page 14 to work out your own employee’s superannuation guarantee shortfalls and choice liabilities. The example provided below is to show how you can do the calculations so you can fill in sections B and C of the Superannuation guarantee charge statement.

STEP 1: QUARTERLY REQUIRED INFORMATION

Karen’s earnings base
Karen’s total salary or wages
Total superannuation contribution paid by the cut-off date (Write the number zero ‘0’ if nothing paid by the cut-off date)
Superannuation contribution paid to Karen’s chosen fund by the cut-off date (could be an identical dollar figure to label C)
Total SG contribution paid by the cut-off date in % (C ÷ A x 100)
Total SG contribution paid to Karen’s chosen fund by the cut-off date in % (D ÷ A x 100)

STEP 2: PREPARATION CALCULATION

Notional quarterly shortfall in $ Calculate

\[ \frac{9 - F}{100} \times \frac{17,300}{B} = \frac{1,557}{G} \]

STEP 3: QUARTERLY SHORTFALL CALCULATIONS

SG shortfall Calculate

\[ \frac{4 - E}{100} \times \frac{17,300}{B} = \frac{692}{H} \]

Choice liability Calculate

\[ \frac{0.25}{G - H} \times \frac{865}{I} = \frac{216.25}{I} \]

STEP 4: SUBTOTAL

Subtotal for Karen Calculate $ $ \[ $692 + \frac{216.25}{J} \]

\[ \frac{908.25}{J} \]

If the total choice liability for an employee is more than $500, write $500 only. See page 3 for information about the choice liability cap.
EXAMPLE 6: You did not pay enough superannuation and you did not pay some of it to the correct fund

Karen Atkins commenced employment with Cost Pty Ltd on 3 October 2006 and is employed for the rest of the quarter ended 31 December 2006.

Karen’s earnings base for the quarter is $15,000, but her total salary or wages for the quarter is $17,300.

Cost Pty Ltd offered choice of superannuation fund to Karen and she chose Neat Superannuation Fund.

But Cost Pty Ltd paid $150 to Neat Superannuation Fund (the chosen fund) and $750 to Prime Superannuation Fund (the employer fund).

NOTE: If you have a choice liability, it is limited to $500 for a notice period per employee.

Photocopy the blank calculation worksheet on page 14 to work out your own employee’s superannuation guarantee shortfalls and choice liabilities. The example provided below is to show how you can do the calculations so you can fill in sections B and C of the Superannuation guarantee charge statement.

### STEP 1: QUARTERLY REQUIRED INFORMATION

<table>
<thead>
<tr>
<th>Information</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karen’s earnings base</td>
<td>$15,000</td>
</tr>
<tr>
<td>Karen’s total salary or wages</td>
<td>$17,300</td>
</tr>
<tr>
<td>Total superannuation contribution paid by the cut-off date</td>
<td>$900</td>
</tr>
<tr>
<td>Superannuation contribution paid to Karen’s chosen fund by the cut-off date</td>
<td>$150</td>
</tr>
<tr>
<td>Total SG contribution paid by the cut-off date in % (C ÷ A x 100)</td>
<td>6</td>
</tr>
<tr>
<td>Total SG contribution paid to Karen’s chosen fund by the cut-off date in % (D ÷ A x 100)</td>
<td>1</td>
</tr>
</tbody>
</table>

### STEP 2: PREPARATION CALCULATION

\[
9 - F ÷ 100 × B = G
\]

\[
9 - E ÷ 100 × B = H
\]

Choice liability \(\times 0.25\) = I

### STEP 3: QUARTERLY SHORTFALL CALCULATIONS

\[
9 - E ÷ 100 × B = H
\]

\[
G - H = I
\]

### STEP 4: SUBTOTAL

\[
H + I = J
\]

If the total choice liability for an employee is more than $500, write $500 only. See page 3 for information about the choice liability cap.
WHAT IS THE SUPERANNUATION GUARANTEE OFFSET FOR LATE PAYMENT?

If you were late in paying superannuation contributions, but made the payment before your Superannuation guarantee charge statement was due, you can use this late payment to reduce the amount of superannuation guarantee charge you have to pay to the Tax Office.

The amount of the late payment to the fund, which you use to reduce your superannuation guarantee charge, is known as a late payment offset. The offset only applies when you are late in making contributions to a superannuation fund from 1 January 2006, for the quarter ending 31 December 2005 and subsequent quarters.

When you elect for the late payment to reduce your superannuation guarantee charge the payment becomes non-tax deductible.

AM I ELIGIBLE?

For late payments of superannuation contributions to be eligible they must have been paid:
■ for the quarter ending 31 December 2005 or any later quarters
■ to a complying fund after the cut-off date for payment but by the due date for lodgment, and
■ for the same employee for which the offset is claimed.

Look at the flow chart on page 23 to help you decide whether you are eligible.

WHAT YOU NEED TO DO

If you do make a superannuation contribution after the cut-off date for payment but by the due date for lodgment, you still need to lodge a Superannuation guarantee charge statement (NAT 9599) and pay the superannuation guarantee charge to the Tax Office. To encourage timely contributions, no relief from the superannuation guarantee charge is available if a superannuation contribution is made after this time.

To receive the late payment offset, you will need to elect for any late contributions to be included as an offset against your superannuation guarantee charge. There are two ways you can do this. You can complete the additional questions in the Superannuation guarantee charge statement:
■ Section C – complete questions 18 and 19, and
■ Section E – complete questions 27 to 30.

Or, you can elect a late payment offset after lodging your Superannuation guarantee charge statement by completing the Superannuation guarantee late payment offset form (NAT 14899) and sending it to the Tax Office. You must elect within four years of when the superannuation guarantee charge for that quarter became payable.

WHICH PARTS OF THE SUPERANNUATION GUARANTEE CHARGE CAN BE OFFSET?

Only amounts relating to an employee’s entitlement to the superannuation guarantee charge will be offset by the late payment. These are the:
■ nominal interest component, and
■ superannuation guarantee shortfall plus choice liability.

The late payment amount will be offset firstly against the nominal interest component for the employee for that quarter. After that, the amount can be offset against any superannuation guarantee shortfall or choice liability components.

Cut-off dates to pay superannuation contributions

<table>
<thead>
<tr>
<th>Superannuation guarantee quarters</th>
<th>Cut-off date for payments</th>
<th>Last day to have made a payment for contributions for the late payment offset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter 1 (1 July – 30 September)</td>
<td>28 October</td>
<td>28 November</td>
</tr>
<tr>
<td>Quarter 2 (1 October – 31 December)</td>
<td>28 January</td>
<td>28 February</td>
</tr>
<tr>
<td>Quarter 3 (1 January – 31 March)</td>
<td>28 April</td>
<td>28 May</td>
</tr>
<tr>
<td>Quarter 4 (1 April – 30 June)</td>
<td>28 July</td>
<td>28 August</td>
</tr>
</tbody>
</table>
KEY POINTS

- It is your decision to elect for the late payment offset, it is not compulsory.
- Once you claim a late payment offset, you will not be able to withdraw it and you will not generally be able to change the late payment election amount.
- Even if you claim the late payment offset, you will still have to lodge a Superannuation guarantee charge statement.
- Late payments used to reduce your superannuation guarantee charge become non-tax deductible for income tax purposes.
- Any late payment offset amount cannot be used as a prepayment for current or future contributions.
- A late payment election amount for an employee can only be applied to offset up to the amounts owing to the employee, that is the sum of the nominal interest component and the employee’s superannuation guarantee shortfall and/or choice liability amount.
- A late payment cannot be used to offset the administration component of the superannuation guarantee charge.
- The easiest and cheapest way of meeting your obligations is to pay the full amount owing to the superannuation fund(s) chosen by your eligible employees by the cut-off date for every quarter.

EXAMPLE

Bob is an employer and has made a superannuation contribution of $1,000 for his employee to a superannuation fund after the quarterly cut-off date but before the due date for lodgment of the Superannuation guarantee charge statement. Bob must then lodge a Superannuation guarantee charge statement and pay the superannuation guarantee charge to the Tax Office.

In the Superannuation guarantee charge statement, Bob elects to have the late contribution applied as an offset to reduce the superannuation guarantee charge amount that relates to employee Amanda.

Bob’s final amount payable is made up of the following components:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtotal (SG shortfall + choice liability)</td>
<td>$1,000.00 + $0.00 +</td>
</tr>
<tr>
<td>Nominal interest</td>
<td>$41.27 =</td>
</tr>
<tr>
<td>Subtotal (before offset)</td>
<td>$1,041.27 –</td>
</tr>
<tr>
<td>Offset amount (late payment)</td>
<td>$1,000.00 =</td>
</tr>
<tr>
<td>Subtotal (after offset)</td>
<td>$41.27 +</td>
</tr>
<tr>
<td>Administration component</td>
<td>$20.00 =</td>
</tr>
<tr>
<td>Total amount payable</td>
<td>$61.27*</td>
</tr>
</tbody>
</table>

* Of this amount payable, the Tax Office pays $41.27 to Amanda’s nominated superannuation fund.
SUPERANNUATION GUARANTEE LATE PAYMENT OFFSET FLOW CHART

Have I made a late payment of superannuation contributions after the cut-off date for this quarter for this employee?

- Yes → Did I make the late payment before the lodgment due date for the statement for this quarter?
  - Yes → Do I want the late payment offset for this employee?
    - Yes → Complete the SG charge statement, including the late payment offset section for the employee.*
    - No → Lodge the statement with payment of superannuation guarantee charge amount due.
  - No → Complete the SG charge statement.

- No → Not eligible for late payment offset for this employee.

* NOTE: Any late payment amount used to offset your superannuation guarantee charge is non-tax deductible and cannot be used as a superannuation contribution payment for a future quarter for that employee.
BLANK CALCULATION WORKSHEET

Photocopy this worksheet to calculate how much you can offset for the late payment offset for each employee.

⚠️ For late payments of superannuation contributions to be eligible for the offset they must have been paid:
- for the quarter ending 31 December 2005 or any later quarters
- to a complying superannuation fund after the cut-off date for payment but before the Superannuation guarantee charge statement is due to be lodged, and
- for the same employee for which the offset is claimed.

### STEP 1: QUARTERLY REQUIRED INFORMATION

- Employee’s subtotal (from section B of the statement at label J): $\text{J}$
- Late payment election amount (see definition on page 6 of the instructions): $\text{N}$
- Number of nominal interest days (see definition on page 7 of the instructions): $\text{P}$

Write this figure on the statement in section C at label N.

### STEP 2: PREPARATION CALCULATION

- Employee’s nominal interest (see definition on page 7 of the instructions): $\text{Q}$
- Employee total amount = $\text{J} \times \text{Q}$
- Employee subtotal (label J) = $\text{J}$
- Employee nominal interest (label Q) = $\text{Q}$

### STEP 3: DETERMINATION OF OFFSET AMOUNT FOR THE EMPLOYEE

Maximum offset amount (label S) allowed is the lesser of either the late payment election amount (label N) or the employee total amount (label R)

- Offset amount is the lesser of…
  - Employee total amount (label R) = $\text{R}$
  - Late payment election amount (label N) = $\text{N}$

Therefore the offset amount is: $\text{S}$

Write this figure on the statement in section C at label S.
EXAMPLE 7: You paid superannuation contributions late for your employee – the late payment amount was equal to the SG shortfall

Luke Kite is an employee of Tree Pty Ltd during the quarter ended 31 December 2006. Tree Pty Ltd paid $1,000 in superannuation contributions for Luke for the quarter ending 31 December 2006 on 15 February 2007.

You have already calculated the subtotal for Luke as $1,062 (refer to example 1 in section 3 of these instructions).

For late payments of superannuation contributions to be eligible for the offset they must have been paid:
- for the quarter ending 31 December 2005 or any later quarters
- to a complying superannuation fund after the cut-off date for payment but before the Superannuation guarantee charge statement is due to be lodged, and
- for the same employee for which the offset is claimed.

Photocopy the blank calculation worksheet on page 24 to work out your offset amounts. The example provided below is to show how you can do the calculations so you can fill in sections C and E of the Superannuation guarantee charge statement.

STEP 1: QUARTERLY REQUIRED INFORMATION

<table>
<thead>
<tr>
<th>Component</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luke’s subtotal (from section B of the statement at label J)</td>
<td>$1,062</td>
</tr>
<tr>
<td>Late payment election amount</td>
<td>$1,000</td>
</tr>
<tr>
<td>Number of nominal interest days</td>
<td>150</td>
</tr>
</tbody>
</table>

STEP 2: PREPARATION CALCULATION

<table>
<thead>
<tr>
<th>Step Description</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luke’s nominal interest</td>
<td>$1,062 x 150 ÷ 365 x 0.1</td>
<td>$43.64</td>
</tr>
<tr>
<td>Luke’s total amount</td>
<td>$1,062 + $43.64</td>
<td>$1,105.64</td>
</tr>
</tbody>
</table>

STEP 3: DETERMINATION OF OFFSET AMOUNT FOR THE EMPLOYEE

Maximum offset amount (label S) allowed is the lesser of either the late payment election amount (label N) or the employee total amount (label R).

Offset amount is the lesser of…

- $1,105.64
- $1,000

Therefore the offset amount is: $1,000

Write this figure on the statement in section C at label S.
EXAMPLE 8: You paid superannuation contributions late for your employee – the late payment amount was greater than the SG shortfall

Luke Kite is an employee of Tree Pty Ltd during the quarter ended 31 December 2006. Tree Pty Ltd paid $2,000 in superannuation contributions for Luke for the quarter ending 31 December 2006 on 15 February 2007.

You have already calculated the Superannuation guarantee subtotal for Luke as $1,062 (refer to example 1 in section 3 of these instructions).

For late payments of superannuation contributions to be eligible for the offset they must have been paid:
- for the quarter ending 31 December 2005 or any later quarters
- to a complying superannuation fund after the cut-off date for payment but before the Superannuation guarantee charge statement is due to be lodged, and
- for the same employee for which the offset is claimed.

Photocopy the blank calculation worksheet on page 24 to work out your offset amounts. The example provided below is to show how you can do the calculations so you can fill in sections C and E of the Superannuation guarantee charge statement.

STEP 1: QUARTERLY REQUIRED INFORMATION

- Luke’s subtotal (from section B of the statement at label J)
  $1,062  J
- Late payment election amount
  (see definition on page 6 of the instructions)
  $2,000  N
- Number of nominal interest days
  (see definition on page 7 of the instructions)
  150  P

STEP 2: PREPARATION CALCULATION

- Luke's nominal interest
  (see definition on page 7 of the instructions)
  $1,062  \times 150 \div 365 \times 0.1 = $43.64  Q

- Luke's total amount
  $1,062 + $43.64 = $1,105.64  R

STEP 3: DETERMINATION OF OFFSET AMOUNT FOR THE EMPLOYEE

Maximum offset amount (label S) allowed is the lesser of either the late payment election amount (label N) or the employee total amount (label R).

Offset amount is the lesser of...

- Luke’s total amount (label R) $1,105.64
- Late payment election amount (label N) $2,000

Therefore the offset amount is:

$1,105.64

* The excess of the late payment and the offset amount can be taken into account as a current or future contribution for that employee as long as it is taken into account within 12 months from the date the contribution was paid to the employee’s fund.
MORE INFORMATION

For more information about superannuation guarantee and late payment offsets:
- visit www.ato.gov.au/super
- phone us on 13 10 20 between 8.00am and 6.00pm, Monday to Friday, or
- write to us at:
  Australian Taxation Office
  PO Box 277
  World Trade Centre VIC 8005

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on 13 14 50 for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone 13 36 77. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on 1300 555 727.