

• OPT OUT OF SUPERANNUATION GUARANTEE

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From 1 January 2020, some employees with multiple employers can apply to opt out of receiving the superannuation guarantee (SG) from some of their employers. You will still need to super contributions from at least one of your employers in each quarter covered by the exemption certificate.

BENEFITS

- This is particularly of interest to high income earners who may be unintentionally going over the concessional contributions cap.

HOW IT WORKS

- You have more than one employer. And you expect your employers' mandated concessional super contributions to exceed your concessional contributions cap for a financial year;
- Submit the SG opt out for high income earners with multiple employers form (NAT 75067) to apply for an SG employer shortfall exemption certificate. The certificate releases one or more of your employers from their SG obligations for up to four quarters in one financial year.
- Employees must still receive SG contributions from at least one employer for each quarter.
- Employees must submit an opt-out application to the ATO for each financial year at least 60 days before the start of the first exempt quarter.
- When the ATO approves an application for exemption, nominated employers will receive an "employer shortfall exemption certificate." The certificate cannot be revoked or changed and will be valid for up to four quarters in any one financial year. The certificate means the employer won't be liable for the SG charge for not making SG contributions on the employee's behalf or face other consequences.

WHAT YOU NEED TO CONSIDER

- The law applies to SG contributions only, not any voluntary salary sacrifice or other personal deductible contributions that may cause you to exceed your concessional contributions cap.
- Nominated employers subject to an employee's partial opt-out don't have to agree to it. For example, the employer and employee might disagree on the terms of an alternative remuneration package for the relevant quarter, or the employer might not have enough time to adjust payroll arrangements. Employers also can continue to make SGs on the employee's behalf. The opt-out doesn't change an employer's obligations under a super fund agreement or a workplace award or agreement.

- The exemption certificate means the employer will not be liable for the SG charge if they don't make SG contributions on your behalf for the quarters covered by the certificate. It is important to talk to your employer before applying as they can choose to disregard an exemption certificate and continue to make SG contributions.
- This measure may not benefit everyone who's eligible. Consider your employment arrangements, such as how your pay and other entitlements may change and the effect of any relevant award or workplace agreement applicable to you. Your accountant or tax agent may provide you with further advice based upon your circumstances.

REFERENCES



You may wish to refer to the following websites for further information about opting out of superannuation guarantee:

- www.ato.gov.au
- www.moneysmart.gov.au

The information in this document is of a general nature and does not take into account your own financial objectives, circumstances or needs. You should consider your own personal situation and requirements before making a decision.

Hindsight Group Pty Ltd ABN 88 168 442 528 AFSL No. 534466
Level 4, 33 Remora Road, Hamilton QLD 4007
t 07 3852 3025
e hello@hindsightwealth.com
w www.hindsightwealth.com