

SuperSolutions

May 2008

End of financial year – key dates

The end of the financial year is less than 6 weeks away. To help you with your end-of-year planning, we've provided some important dates for you to diarise.

To claim a tax deduction for the 07/08 financial year, the following deadlines apply:

- 30 June 2008 – All cheques and EFTs for contributions need to be received by this date. Our Administrator will accept cheques at their reception area until 2.00pm.
- 20 June 2008 – For those employers using the Super Clearing House (SCH), contributions need to be received by this date.

Supporting documentation for cheque payments and EFT payments should be sent at the time the transaction is made/cheque is issued.

Note: If you wish to claim a tax deduction for the 07/08 financial year, you must adhere to the above deadlines. To meet your SG obligations however, you have until 28 July 2008 to pay.

For more information or assistance, please contact the Customer Service Centre on 1300 304 044.

No. 1 Investment Performance

Recent survey results from the Mercer Employer Super Multi-Sector Survey* report RecruitmentSuper as topping the performance tables for February 2008.

The High and Balanced Growth options ranked 1 & 2 respectively in the Balanced Growth survey category and the Fund's Aggressive Growth option has rated in the top 3 over three years for the High Growth survey category.

Despite recent market uncertainty, this is proof that RecruitmentSuper continues to provide members with competitive returns, along with a commitment to low fees and 'profit to members' philosophy.

Visit www.recruitmentsuper.com.au to view the latest performance returns.

* Mercer Survey Employer Super Multi-Sector Survey (Balanced and High-Growth) for February 2008. The survey reports results of super funds across various asset options.

Ordinary Time Earnings (OTE)

From 1 July 2008, rules governing the calculation of superannuation contributions are changing. We have included a handy factsheet (overleaf) outlining the changes



Public holiday – operating hours

Our Customer Service Centre will be closed on the Queen's Birthday public holiday, 9 June 2008. The Centre will then return to normal operating hours, 8.00am to 10.00pm (AEST) weekdays.

Simple strategies on super

Superannuation industry bodies are urging Australians to focus on contributing to super and ignore recent short-term market fluctuations.

The Australian Institute of Superannuation Trustees has called on the Government to provide more incentives to boost retirement incomes (including the call to make salary sacrifice compulsory) and have highlighted salary sacrifice and the Co-contribution scheme as favourable strategies for most people.

Salary sacrifice contributions are contributions made from your pre-tax salary. Depending on your salary and the amount of the contributions you make, this may help reduce the amount of income tax you pay, in addition to boosting your retirement income.

To find out more about the different superannuation strategies available and our free informative workplace seminars, please refer to the contact details below.

Source: The Age, www.theage.com.au, Salary sacrificed urged

Employer Hotline

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Super fact sheet

Ordinary Time Earnings (OTE)

From 1 July 2008, all Superannuation Guarantee (SG) contributions must be calculated using ordinary time earnings (OTE) as the earnings base. Employers must pay SG contributions equal to at least 9%. Depending on the work circumstances of the employee, the earnings base may consist of different elements. The new law ensures consistency for all employees. Employers can use the table below to work out which type of payments make up OTE.

Ordinary time earnings (OTE)	Not ordinary time earnings (OTE)
Allowances paid (other than reimbursement of expenses)	Accrued annual leave, long service leave and sick leave paid as lump sum on termination
Casual loading	Annual leave loading
Commission	Benefits subject to FBT (fringe benefits tax)
Directors' fees	Bonuses that do not relate to specific performance criteria (eg Christmas bonuses)
Government wage subsidies (e.g. Jobstart)	Maternity/paternity leave payments
Other bonuses	Other payments made by an employer on termination of employment
Over-award payments	Overtime
Pay for annual holiday leave	Payments in lieu of notice
Pay for long service leave taken	Redundancy payments
Pay for sick leave taken.	Reimbursement of expenses (e.g. travel costs)
Payments to a contractor who is an employee under SG Administration Act 1992 (labour portion only)	Top-up payments (e.g. when serving on jury duty or with Reserve payments)
Workers compensation payments (including top-up payments), where work is performed	Workers compensation payments including top-up payments when no work is performed
Shift loading	

The Australian Taxation Office (ATO) has released a comprehensive checklist for employers, available below. For more information, visit www.ato.gov.au or call 13 10 20.

Preparation checklist for employers for 1 July changes	✓
Have you reviewed the earnings base for all your employees to ensure that you are calculating your super contributions based on OTE?	
Have you reviewed the checklist on the Tax Office website (www.ato.gov.au) to identify what is included and excluded from ordinary time earnings? You should use this checklist to update any software or payroll systems you are using as the Tax Office will not be issuing electronic media specifications for OTE.	
If you are paying your employees bonuses, are you including bonuses when calculating the super guarantee (some exceptions do apply e.g. Christmas bonuses)?	
If you are paying your employees allowances, are you including allowances when calculating the super guarantee (there are exceptions for reimbursements or fully expended allowances)?	
If you are paying your employees commissions, are you including these when calculating the SG?	
Have you considered the cost impact on your business, if you are required to increase your contributions?	
Do you have the correct systems in place to handle a change in your super contributions?	
Do you have a strategy in place to inform your employees of possible changes to their super contributions?	

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