



e-News

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When does the new Super Guarantee rate of 10% apply to your payroll?



It's important to note that the new rate of 10% is only applicable to any payroll payments made on or after 1 July 2021 – this is *regardless of the period in which the services were performed by the employee*.

EXAMPLE

Nick is a marketing guru who is paid fortnightly in arrears every second Friday. His final pay for the year is for the period Friday 18 June to Friday 2 July 2021 (which is also the date he is paid). The bookkeeper who handles the employer's payroll wonders which SG rate (9.5% or 10%) they should apply to this payment? Or, as the pay straddles two financial years, should some of the earnings attract 9.5%, and some of the earnings attract 10%?

ANSWER

The higher rate of 10 % will apply to all of the payment. *The rate is determined by when the employer actually makes the payment of the salary* (in this case, on 2 July 2021). This is despite the fact that some of the payment relates to pre 1 July earnings.

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