



# **AMG** *Corporate* *Super*

## **Employer Guide**

### **Contents:**

1. Introduction
2. Employers' Superannuation Obligations
3. What is SuperStream and how can AMG help?
4. Why Choose AMG Super?
5. More Information

# 1. Introduction

## What is AMG Corporate Super?

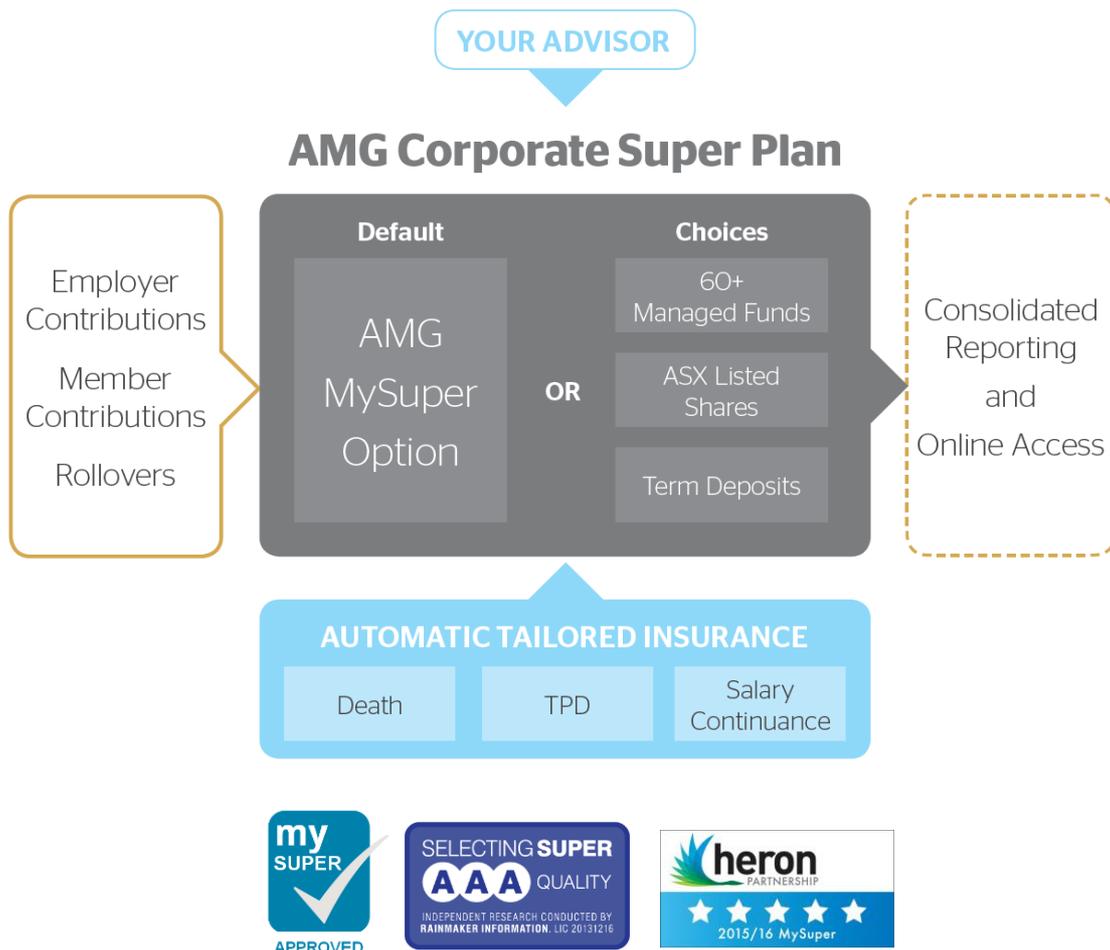
AMG Corporate Super provides a 'default fund' which offers a solution for the full spectrum of your employees - from those who are highly engaged and want an individualised direct share portfolio, to those who are less engaged and happy to remain in the default option.

Employees will default into the low cost approved AMG MySuper investment option, giving you the comfort of knowing your employee's super is in good hands. In addition, by utilising AMG Super as your default fund you can also give your employees the unique ability to take control of their super and choose their own investments, including having an experienced Adviser manage a portfolio of direct equities.

AMG Super also provides automatic insurance benefits for your employees, giving you the peace of mind knowing your employees are covered if the unexpected happens.

As an employer, it is often difficult to know if your default fund is right for your employees. So it is relief to know that AMG Super has received the highest possible rating from two independent rating agencies.

The diagram below illustrates how an AMG Corporate Super Plan operates:



## 2. Employers' Superannuation Obligations

Under Commonwealth legislation, all Australian employers are required to pay Superannuation Guarantee ("SG") contributions on behalf of their employees.

### How are SG Contributions Calculated?

The minimum SG contribution for the 2014/15 financial year is calculated at 9.5% of the employee's earnings base. Based on current legislation, the SG contribution is to remain at 9.5% and will increase by an additional 0.5% each financial year from the 2021/2022 financial year until it reaches 12%.

Where no other applicable earnings base is used for SG purposes, Ordinary Time Earnings is the default earnings base. Ordinary Time Earnings do not include:

- overtime payments;
- top up payments;
- payment in lieu of notice;
- redundancy payments;
- maternity leave payments;
- workers' compensation payments where no work is performed;
- annual leave loading;
- reimbursement of expenses; or
- lump sum payments for accrued annual or long service leave paid on termination of employment.

### Who Qualifies for SG Contributions?

SG contributions must generally be paid for any employee who earns \$450 per month or more.

Employees are defined as individuals who receive payment in the form of a salary or wage, in return for their labour or services. This includes directors or persons contracting wholly or principally for labour (even if their ABN is quoted).

Exclusions include, but are not limited to:

- employees paid less than \$450 per month based on Ordinary Time Earnings;
- employees who are less than eighteen years of age and who work less than thirty hours a week;
- employees who are over seventy years of age;
- non-resident employees paid for work done outside Australia;
- resident employees paid by non-resident employers for work done outside Australia; and
- foreign executives who hold certain visas or entry permits.

## Due dates for SG Contributions

Employers are required to remit SG contributions every quarter to each eligible employee's nominated superannuation fund, as per the following table:

Quarter	Due Date
1 July - 30 Sept	28 October
1 Oct - 31 Dec	28 January
1 Jan - 31 March	28 April
1 April - 30 June	28 July

## Penalties

Any employer who has not paid the appropriate superannuation contribution for an employee is required to make a non-tax deductible shortfall payment for the amount not paid, or the difference between the amount paid and the prescribed minimum, to the Australian Taxation Office ("ATO").

In addition to the shortfall payment, the employer may have to pay:

- a nominal interest component, calculated by multiplying the shortfall by a figure of 10%, *plus*
- a general administration fee, *plus*
- a further fee for each employee for whom there is a shortfall.

## Selecting a Default Fund

A default superannuation fund is the fund selected by an employer into which you will pay SG contributions for employees (if they do not exercise choice). If an employee is eligible to choose a superannuation fund for their SG contributions but does not exercise their right or they make an invalid choice, you can continue to pay your employer contributions to the default fund.

From 1 January 2014, all Default Funds must be authorised by the Regulator (APRA) and have a MySuper license. AMG Super is MySuper accredited, not all super funds have a MySuper license.

## Giving Standard Choice Form to Employees

You must give each new eligible employee a Standard Choice Form within 28 days of commencing employment. The penalty for not contributing to a chosen fund is a maximum of \$500 per employee per quarter. The penalty will be payable to the ATO and applied by the ATO to the employee's account as an additional SG contribution.

If you change your default super fund, you must provide a new Standard Choice Form to your employee's showing the new default fund. The onus is on the employee to return the form, otherwise their SG contributions will be paid to your default fund.

The Standard Choice Form that you provide to your employees must have Section A which they can complete if they wish to exercise choice:

	<b>Australian Government</b> <b>Australian Taxation Office</b>	<b>Standard choice form</b>
<b>Section A: Employee to complete</b>		
<b>1 Choice of superannuation fund</b>		
I request that all my future superannuation contributions be paid to: (place an <input checked="" type="checkbox"/> in one of the boxes below)		
my employer's superannuation fund named in 'Section B – Question 6' <input type="checkbox"/>		
my own choice of superannuation fund <input type="checkbox"/>		
<b>!</b> You only need to complete 'Section A' if you want to choose the superannuation fund that your employer's superannuation contributions are paid to.		
<b>2 Your details</b>		
Name <input type="text"/>		
Employee identification number (if applicable) <input type="text"/>		

Section B of the form is completed by the employer with your chosen default fund:

<b>Section B: Employer to complete</b>		
<b>➡</b> Give this form to your employee after you have completed 'Section B'.		
<b>5 Your details</b>		
Business name <input type="text"/>		
ABN <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
Signature <input type="text"/>		
Date <input type="text"/> / <input type="text"/> / <input type="text"/>		
<b>6 Your employer nominated superannuation fund</b>		
If the employee does not choose a different superannuation fund, superannuation contributions will be paid to the following superannuation fund on behalf of this employee (unless the employee has previously chosen a different fund):		
Fund's name <input type="text"/>		

### 3. What is SuperStream and how can AMG help?

SuperStream compliance is part of the Federal Government's 'Stronger Super' legislation and necessitates the implementation of data and payment standards. Simply put, this means you can no longer send paperwork and cheques to super funds; and must instead submit these details electronically via a special 'gateway'. A 'gateway' hub allows the electronic transfer of data and money between super funds and employers. You are to submit all necessary information (such as the employee name, TFN, super fund USI, member number, contribution type, etc.) to the 'gateway' in a specified unique data format.

If you have 20 or more employees, you will have 12 months from 1 July 2014 to make this change. And if you have under 20 employees, you will have 12 months from 1 July 2015 to implement this change.

To make your life easier, AMG is offering a SuperStream solution to participating employers. Through AMG, employers can access a clearing house facility where you can simply submit one payment and one excel file which will be converted and forwarded to the relevant gateways on your behalf.

### 4. Why Choose AMG Super?

#### Investment flexibility

We cater for all your employees with different preferred levels of engagements. For employees who may be disengaged with their super, they can move into our default MySuper approved option. For employees who would like to take more control of their super, there is a wide range of investment options to choose from.

In fact, AMG Super offers more investment flexibility than any other superannuation fund. For those employees who wish to access it, AMG Super offers similar flexibility as a Self-Managed Super Fund (SMSF) without the compliance and cost burden.

The investment options available through AMG Super include:

- 11 AMG Multi-Manager Investment Options
- 70+ AMG Single Manager Options
- ASX Listed Securities (including ETF, LICs and Warrants)
- 8 Different Term Deposit Providers.

#### Insurance Benefits

We provide your employees with high levels of automatic insurance cover at a low cost. This is particularly important if there are any management within your organisation who are unable to get insurance cover for any reason.

The types of insurance cover available through AMG Super is:

- Death Insurance
- Total and Permanent Disablement (TPD) Insurance
- Salary Continuance Insurance (SCI)

Speak to your Adviser or your AMG Super contact to discuss the actual level of automatic cover we can offer your employees. We are able to tailor an insurance package specifically designed to meet the needs of your employees.

## Low Costs

AMG Super is specifically designed to offer a low cost high quality default fund for employers. The AMG MySuper options has been licensed by the Australian Prudential Regulatory Authority (APRA) as an approved default super fund.

The total fees for the AMG MySuper option are less than 0.99% which means that you have the comfort of knowing your employees are not paying any unnecessary fees.

## Independent Ratings

As an employer, it is often difficult to know if your default fund is right for your employees. So it is a relief to know that AMG Super has received the highest possible rating from two independent rating agencies.

### 1. AAA Quality Rating from Rainmaker:



### 2. 5 Star Rating from Heron Partnership:



## We make things simple

We provide a dedicated AMG contact for the employer to make the process as easy as possible. We also provide the following services to make the transition as smooth as possible for you and your employees.

### Individualised transition packs

We understand how confusing it can be to change employer plans, hence we strive to make the process as easy as possible for you. To facilitate this, AMG will put together a transition pack for each employee including the following:

- Plan Summary Sheet with comparison versus the old fund
- Pre-filled Standard Choice Form
- Pre-filled Rollover Form

Please note that the employees do not need to complete an application form as we can establish accounts using the data from you.

### Staff information session

To save you time in explaining the transition with your employees, we are happy to run a quick information session or presentation explaining the benefits of the new fund and how to rollover existing super into the new fund.

## Payroll assistance

Once the plan is established, the basic process involves:

1. Supply a list of employees with necessary data (e.g. Name, DOB, TFN, etc.).
2. Pay contributions as you always have. The only change is that the data and money is sent to AMG instead of the previous default fund.
  - You can submit data via on-line access.
3. We can provide access to a clearing house or 'gateway' facility for you if you desire. The cost of the clearing house facility will depend on the size of your organisation.

## 5. More Information

For further information simply contact your Adviser or AMG Super contact. Further information is also available on our website:

[www.amgsuper.com.au](http://www.amgsuper.com.au) > Corporate Super > PDS and Forms

If you would like to discuss how AMG Super can specifically tailor a Corporate Super Plan to meet the needs of you employees simply contact our dedicated Corporate Super Specialist:

### Terry Constable

Customer Services Manager

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[terry.constable@amgsuper.com.au](mailto:terry.constable@amgsuper.com.au)

## AMG Super Contact Details

### AMG Super

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