

P 11 – Supplementary Superannuation Contributions Policy

1 Objectives

The objectives of the Supplementary Superannuation Contributions are:

- 1.1 In accordance with *Superannuation Guarantee (Administration) Act 1992*, to determine the criteria for the payment of:
 - 1.1.1 Government guaranteed superannuation to employees;
 - 1.1.2 Employee superannuation co-contributions; and
 - 1.1.3 Additional superannuation contributions to employees where employees elect to make a voluntary contribution.
- 1.2 To encourage employee retention by offering financial incentives to employees within the ability of a Band 3 local government.
- 1.3 To remain competitive within the local government industry in attracting high-performing and qualified employees.
- 1.4 To align employee terms and conditions with government across Australia.

2 Scope

This policy applies to full-time and part-time employees.

3 Definitions

3.1 Councillor

means members of an elected body that make decisions on behalf of a local government through a formal meeting process. Generally, local government council members, who include the Mayor or President and Councillors, do not have any authority to act or make decisions as individuals.

3.2 Employee

means a person that's hired to provide a service to a company either on a full-time, part-time or casual basis in exchange for payment. Also known as staff.

3.3 Superannuation Co-contribution Scheme

means a system for payments made to an employee's superannuation scheme over and above those made in the superannuation guarantee payment.

3.4 Superannuation Guarantee Payments

means payments set at a minimum rate by the Federal Government, to be paid to complying funds or retirement savings accounts.

3.5 Worker

means a worker is any person who carries out work for a Person Conducting a Business or Undertaking (PCBU), including work as an employee, Councillor, outworker, apprentice or trainee, work experience student, placed with a 'host employer' and volunteers.

4 Policy

This policy offers permanent staff a superannuation benefit of 3% above their gross salary. Conditions required in being eligible for this benefit:

- 4.1 Employees must be employed on a full-time basis or a permanent part-time basis.
- 4.2 Employees must voluntarily contribute 5% of their gross salary.
- 4.3 The co-contribution will be paid to the employees' nominated superannuation fund.

- 4.4 All employees can contribute to their superannuation via salary sacrifice (pre-tax amount) or salary deduction (post-tax amount) as allowed under the Australian Taxation Office guidelines.
- 4.5 Employees must state, in writing, their intention of voluntarily contributing 5% of their gross wages.
- 4.6 If intending to cease participating in the supplementary superannuation scheme an employee must give a minimum fourteen days' notice.
- 4.7 Employees can contribute more than the prescribed 5% but can only receive a maximum of 3% Council superannuation contribution.

This policy aims to top up the contribution to the employee's superannuation fund by paying 3% of gross wages when the employee makes a voluntary contribution of 5% of their gross wage. This will result in Council contributing a total of 14% to superannuation.

Superannuation guarantee (Statutory)	11%
Superannuation guarantee (Statutory) from 1 July 2024	11.5%
Employee voluntary superannuation contribution	5%
Council supplementary superannuation contribution	3%

This policy will be automatically updated when legislation changes the % of Superannuation Guarantees.

5 Accountabilities and Responsibilities

5.1 Council is accountable and responsible for:

- Ensuring the organisation has in place a lawful, transparent, and accountable policy framework, supported by a suite of compliant and appropriate policies and procedures.
- Endorsing (or not) each organisational policy document in a timely and effective manner.
- Delegating implementation of each policy document to the CEO.

5.2 The CEO is accountable and responsible for ensuring the development, implementation, monitoring and review of this policy document, in accordance with governing legislation and Council directives.

5.3 The Executive Management Team and Managers are accountable and responsible for:

- Ensuring that all employees under their direction comply with this policy document.
- Enacting process to redress non-compliance with this policy document.

5.4 All employees are individually responsible for complying with this policy document.

6 Risk Management

The risks of not having the Supplementary Superannuation Contributions Policy in place include:

- 6.1 Non-compliance with the *Superannuation Guarantee (Administration) Act* 1992 when determining the criteria for the payment of Superannuation.
- 6.2 Discouraging employee retention by not offering financial incentives to employees within the ability of a Band 3 local government.
- 6.3 Not being competitive within the local government industry in attracting high-performing and qualified employees.
- 6.4 Misaligning employee terms and conditions with government across Australia.

7 Legislation, Policy and Other Related Documents

Act	s.2.7(2)(b) <i>Local Government Act 1995</i> – The council is to determine the local government's policies <i>Superannuation Guarantee (Administration) Act 1992 (Cth) Superannuation Guarantee Charge Act 1992 (Cth)</i>
Regulation	<i>Local Government (Employee Superannuation) Regulations 2016</i>
Local Law	N/A
Shire Policies	N/A
Related Documents	N/A
Related Procedure	N/A

8 Administration

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