

Who is the boss of your super?

It's tempting not to think too much about your super when retirement is still a long way off. After all, it's growing just fine by itself ... right? But the reality is, if you don't take control now, you might be left with less than what you need when it's time to put it to use.

Here's how to be the boss of your super in three simple steps.

➔ Step one: Know what you're entitled to

If you're working full-time or part-time for an employer, they generally have to make regular Super Guarantee (SG) payments into your super account. But there are some exceptions, like if you're:

- earning less than \$450 a month
- under 18 and working 30 hours or less a week
- doing domestic or private work for 30 hours or less in a week (for instance, if you're a part-time nanny)
- an overseas worker temporarily working in Australia and you're covered by a bilateral superannuation agreement
- a non-resident working overseas but paid by an Australian employer
- a Reserve Defence Force employee (applicable to some payments only).

SG contributions are calculated as 9.5% of your Ordinary Time Earnings (OTE). This includes loadings, commissions, allowances and most bonuses, but usually doesn't include overtime pay. Your employer also has to keep making SG payments even when you're on sick leave, annual leave or long-service leave – but not if you take time off for paid parental leave.

➔ Step two: Check that your super is being paid

When you start working for a new employer, they need to give you a Superannuation (super) standard choice form. This lets your employer know which super fund to pay your SG contributions into. All you have to do is provide your fund details and account number.

By law, your employer has to start paying SG contributions into your chosen account on a quarterly basis – and they must start paying any amounts that are due within two months of receiving your completed standard choice form. If you think your employer isn't making these payments – or they're paying you the wrong amount – here's what you can do:

1. Check your super statement to find out how much your employer has been paying.
2. Speak directly to your employer about how and when your payments are scheduled.
3. If you can't resolve the issue, lodge an enquiry with the Australian Taxation Office and they'll take steps to investigate.

➔ Step three: Boost your super savings

Employer SG contributions play a vital role in building up your super savings throughout your working life. But they're not the only way to grow your nest egg.

You may be able to set up a before-tax contribution from your salary, known as a salary sacrifice arrangement, with your employer. This means authorising them to take out a fixed amount or percentage of your before-tax income from every pay, which they then deposit straight into your super. But first, you should speak to your employer about how this arrangement would work for your employment situation.

Alternatively, you can use your own money to make voluntary contributions. In this case, you may be entitled to claim an income tax deduction on your contributions.

An advantage of salary sacrificing or making personal tax-deductible contributions is that your contributions will be taxed at just 15% in most cases, instead of your usual marginal income tax rate. However, it's important to remember that the combined total of your SG payments, salary sacrificed amounts and your personal tax-deductible contributions can't exceed \$25,000 in a financial year or extra tax will apply.

What if you're self-employed? You don't have to pay yourself super, but it's still a valuable way to save for your retirement.

