

# Superannuation Guarantee Amnesty Bill finally passed

**The Superannuation Guarantee Amnesty Bill has been passed and is awaiting Royal Assent, from which point employers will have six months to make voluntary disclosures of superannuation guarantee underreporting.**

## Overview

On 24 February 2020 the *Treasury Laws Amendment (Recovering Unpaid Superannuation) Bill 2019* was passed by the Senate and is awaiting Royal Assent.

The long awaited Bill will bring into force the Superannuation Guarantee (SG) amnesty that was announced in the 2018 budget.

## When is the amnesty period?

The amnesty period includes all SG shortfalls from 1 July 1992 through to 31 March 2018.

Employers who disclose SG shortfalls to the ATO between the original amnesty start date of 24 May 2018 and the end date of the amnesty period; being six months after the date that the Bill receives Royal Assent, will receive concessional treatment from the ATO.

## What is the impact?

Employers who take advantage of the SG amnesty will:

- Avoid the administration penalty of the SG charge of \$20 per employee per quarter
- Be able to claim a corporate tax deduction for the payment of underpaid SG during the amnesty period
- Receive a full reduction of potential penalties that can be up to 200% of the total SG charge

In addition to the increased penalties for employers found to have historical shortfalls after the amnesty is over, the Commissioner will also lose the power to remit that penalty below 100% for historical quarters.

Employers should take advantage of this opportunity to ensure that they have met their historical SG obligations and have the correct processes in place to meet them going forward.

## What action is required?

Given the time restrictions - six months after the Bill receives Royal Assent - under this SG amnesty period, employers should immediately:

- Review historical superannuation guarantee payments to ensure that any shortfalls are rectified during the amnesty period.
- Check that payroll codes are correctly categorised as ordinary times earnings and any awards applied correctly to ensure that employers are meeting their SG obligations going forward to avoid penalties.

## Important dates

- The *Treasury Laws Amendment (Recovering Unpaid Superannuation) Bill 2019* was passed by the Senate on 24 February 2020.
- The amnesty period will run from 24 May 2018 until six months after the date that the Bill receives Royal Assent.
- SG shortfalls between 1 July 1992 and 31 March 2018 are eligible to receive concessional treatment if disclosed during the amnesty period in the approved form.

Superannuation Guarantee shortfalls between 1 July 1992 and 31 March 2018 are eligible to receive concessional treatment if disclosed during the amnesty period in the approved form.

Employers only have six months from the date of royal assent to make voluntary disclosures of superannuation guarantee underreporting.

**Get in touch**

Contact us to discuss a review of your superannuation policies and superannuation guarantee obligations.

We use our Complete Tax Solutions (CTS) superannuation data analytics tool to review payroll records efficiently to assist in identifying any shortfalls or disclosure concerns.

Reach out to one of our tax experts below:



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