

Client Alert

2010 Financial Year End Reminder: Reportable Employer Superannuation Contributions (RESC)

A reminder to all employers issuing PAYG Payment Summaries for the 2009/10 financial year. This is the first year you must include Reportable Employer Superannuation Contributions (RESC) on the summaries.

Any employee who receives RESC must be issued with a PAYG Payment Summary, whether or not they received salary or wages. These reporting requirements are similar to the current Fringe Benefits reporting requirements.

What are Reportable Employer Superannuation Contributions?

The most common type of RESC is a contribution made under a salary sacrifice agreement. In addition, contributions made in lieu of a salary for a person(s) employed privately in their own business will also be covered.

The full definition of RESC extends to any contribution that meets the following two conditions:

1. The contributions are **additional** to the compulsory contributions made under any of the following:
 - super guarantee law (i.e. the 9% compulsory contribution)
 - an industrial agreement
 - the trust deed or governing rules of a super fund
 - a federal, state or territory law.
2. The employee influenced the rate or amount of the super contributed.

What does this mean for you?

For employers: Employers using the latest payroll software packages should find that their software is capable of recording and reporting all the RESC information correctly. Ensure all payments of RESC are processed within the payroll system so they are reported to the Australian Taxation Office and included on the PAYG Payment Summaries.

For person(s) employed privately in their own business: If you contribute RESC in lieu of a salary, you will need to issue a PAYG Payment Summary to yourself, for the first time, in 2009/10. You will also need to report this information to the Australian Taxation Office.

If you have any questions regarding the new RESC reporting requirements, or require any assistance with the preparation of your 2009/10 PAYG Payment Summaries, please contact HLB Mann Judd for further advice.

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