

## Setting up Employee Superannuation Contributions

In addition to employer provided superannuation, employees may make their own contributions to superannuation funds. Setting up Employee Superannuation Contributions involves the following steps:

- Creating the Deduction code for Employee Superannuation Contributions
- Updating the Superannuation Fund Employee Contribution details
- Attaching the Superannuation Contribution to the Employee

### Deduction Codes for Employee Superannuation Contributions

Employee superannuation contributions are set up as deductions before or after tax. Employee superannuation contributions may be a fixed amount per pay or a percentage of the pay value.

**Add New Addition / Deduction**

Addition/Deduction Details | Payment Summary

**Addition/Deduction**

Code: S1  
Description: AMP Super Salary Sacrifice

**Parameters**

Category: Deduction Before Tax | Type: Percent  
Percent:   
Hours: Normal Hours  
Calculation Rate: Normal Rate

**Deduction Options**

Include in Deduction Calculation:  | Employee Contribution:   
Process Deduction Calculation:

**Other**

Reducing Balance:   
Cost Account: Select a Cost Account

OK | Cancel

Percentage Type Employee superannuation contributions can be calculated on hours worked only or hours worked plus specified Additions.

The superannuation deductions can be calculated on one of the following Hours types:

- Normal hours
- Normal plus ACTUAL overtime hours
- Normal plus PAID overtime hours
- Premium hours
- Specified by user
- Normal plus Other plus PAID Overtime plus all Leave Hours
- Actual overtime
- Normal plus Other plus all Leave hours.

### Creating a Deduction Code for Employee Contributions

To create the deduction for employee superannuation contributions:

- 1 To access Additions and Deductions from the menu, select [Maintenance > General > Additions and Deductions](#).
- 2 Click on the New button.  
In the Addition/Deduction Section:
  - 3 The **Code** field enables you to enter a unique alphanumeric **Code** of up to 10 characters for this record.
  - 4 The **Description** field is used to provide a simple definition that will be used in reports and pay advices for the Addition or Deduction, eg. Petrol, Meals, Dirt Money, Height.  
In the Parameters Section:
    - 5 In the **Category** field select either **Deduction Before Tax** or **Deduction After Tax**.

- 6** Select the **Type** from the drop down list. The **Type** field allows the deduction value to be calculated in two ways. Amount - the value is an AMOUNT entered by the user. Percent - The value is calculated by taking a percentage of pay values specified by the user. The value you select here will determine which fields are accessible in the remainder of the screen.
- 7** If you selected a type of Amount:
- The **Amount** contains the dollar amount that is used to calculate this Addition or Deduction.
- 8** If you selected a type of Percent:
- If the **Type** selected for the Addition/Deduction was Percent, enter percentage to be applied in the **Percent** field.
  - The **Hours** field lists the types of hourly rates that are applicable for an addition or deduction, and is only available when the **Type** field is set to either Rate or Percent. The hourly rates include Normal Hours, Normal + Actual Overtime, Normal + Paid Overtime, Premium Hours, Specified by user, Normal + Other + Paid Overtime + All Leave, Actual Overtime and Normal + Other + All Leave.
  - The **Calculation Rate** field determines which rate from the Employee's record is used for the calculation of additions and deductions. These rates can only be selected if the Addition/Deduction selected in the **Type** field is a Percent type. The rates available on the **Calculation Rate** drop down list are Normal Rate, Award Rate or Other Rate.

In the Deduction Options Section:

- 9** The **Employee Contribution** checkbox will be selected to indicate that this deduction is an Employee Superannuation Contribution.
- 10** If you are creating a percentage type deduction, tick the **Process Deduction Calculation** check box. This flags the deduction code as a superannuation calculation.

In the Other Section:

- 11** The **Reducing Balance** check box indicates that the deduction (such as a loan or garnishee), will be paid off by deducting the employee's pay by a set value per period until the total value (Standard) has been recovered. A reducing balance is only applicable to Amount and Percentage types.
- 12** The **Cost Account** field identifies an account against which all values for this Addition or Deduction will be charged. You can select cost accounts for the field, or you may leave this field blank if values are to be costed to various accounts when applied to an employee.

For Payment Summary Details:

- 13** Click on the **Payment Summary** Tab

In the Payment Summary Section:

- 14** The **Payment Summary** drop down list lets you choose where you wish the value of this Deduction to appear on the Payment Summary. The options available to you depend on whether the Deduction is before or after tax.
- 15** If the payment summary field is set to Include in Allowances (Not Gross), Include in Workplace Giving or Include in Union Fees, use the **Allowance Code** from the drop down list. This will specify where the addition or deduction will appear on the Payment Summary, e.g. Car Allowance, Union.
- 16** Click OK to save the deduction code.

## The Superannuation Fund and Employee Contributions

The Fund contains details for each Superannuation Fund that your organisation contributes to.

There are two types of **Superannuation contributions**:

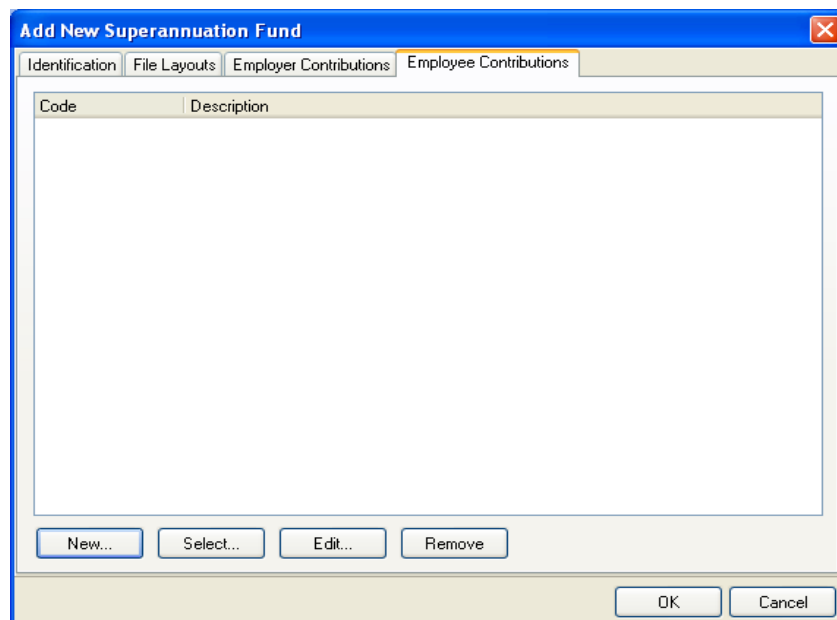
- Employer Contribution types are payments made by the Employer to a Superannuation Fund on behalf of the employee. This type of contribution could have Superannuation Guarantee rules applied to the calculation.
- Employee Contribution, which is a payment that the employee makes. This can be a Salary Sacrifice (deduction before tax) or deduction after tax, eg. additional contributions to the fund by the employee.

When setting up Employee Contributions, it is **ESSENTIAL** that the Employee Contributions are Fund specific. Employee Contributions are set up as Deductions before or after tax and flagged as super deductions with the 'Employee Contribution' checkbox selected.

Each Employee super deduction code created may only be used for one fund. For example, one employee voluntarily contributes additional super to Fund ABC and another employee voluntarily contributes additional super to Fund XYZ. It is necessary to create two Employee Contribution codes, one for ABC Fund and one for XYZ Fund.

To access Fund Maintenance from the menu, select [Maintenance](#) > [Superannuation](#) > [Fund](#).

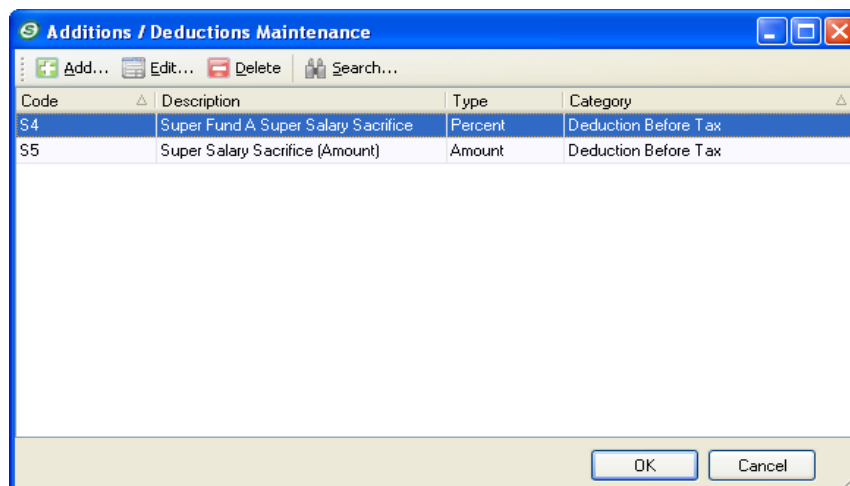
### Attaching Employee Contributions to a Fund



The following options are available on the Employee Contributions tab:

Buttons	Descriptions
<b>New</b>	The <b>New</b> button creates a new Deduction code which will be added to the current Superannuation Fund as an Employee Deduction. The new Employee Contribution Deduction will also be accessible through <a href="#">Maintenance &gt; General &gt; Additions and Deductions</a> .
<b>Select</b>	The <b>Select</b> button opens the Additions/Deductions window. This lets you select an existing Employee Contribution Deduction to be included for this fund.
<b>Edit</b>	Selecting the <b>Edit</b> button enables you to view and change an existing contribution for this Fund.
<b>Remove</b>	Selecting the <b>Remove</b> button deletes an existing contribution from the Superannuation Fund. This will not delete the contribution or deduction from maintenance.

- 1 Click on the **Select** button to select the Employee Contribution Deduction.



- 2 Highlight the Employee Contribution Deduction that you want to attach to the Superannuation Fund.
- 3 Click on the OK button.

## Linking Employee Contributions to the Employee

Each employee that is eligible should be attached to at least one **Superannuation Fund** and in turn then be assigned a **Superannuation Contribution**.

There are two different types of contributions - Employer and Employee. An Employee would normally have at least one Employer Contribution and may have Employee Contributions, which are considered voluntary.

NOTE: If only one Superannuation Fund is added for the employee, then by default, any Employer or Employee contribution will be attached to that fund. If more than one Superannuation Fund is attached to the employee, you must highlight the Superannuation Fund you wish to attach the Superannuation Contribution to before adding the Superannuation Contribution.

The screenshot shows the 'Edit Employee' window for '001 - Jones Janice Kimberly'. The window is divided into several sections:

- Personal Details:** Tax Details, Pay Details, Rate Details, Bank Details, Cost Accounts, Additions & Deductions, **Superannuation Details** (selected), Annual Leave, Long Service Leave, Sick Leave, Termination Details.
- Superannuation Funds:** A table with columns: Fund Name, Joined, Terminated, Membership Number. One entry is visible: Super Fund A, 30/12/1899, 26/08/2005.
- Superannuation Contributions:** A table with columns: Fund, Contribution, Allocation. It shows two contribution types:
  - Employee Contribution (1):** Super Fund A, Super Fund A Super Salary Sacrifice, 100.
  - Employer Contribution (1):** Super Fund A, 9% Employee Contribution with SGL Ru, 100.

Buttons for 'Add...', 'Edit...', and 'Delete' are present for both sections. At the bottom, there are 'OK' and 'Cancel' buttons, and a status bar indicating 'Transactions exist for this Employee'.

### Adding Employee Super Details

To access Employee Superannuation Details from the menu, select [Maintenance > Employees > Employees > Superannuation Details](#).

NOTE: If the Superannuation Fund is already attached to the employee you will only need to add the Employee Contribution Type.

To add Superannuation details for the employee:

- 1 Click on the Superannuation Details option in the tree.  
In the Superannuation Fund Section:
- 2 Click on the Add button for Superannuation Funds.
- 3 The **Fund** field defines which superannuation fund is to be used.
- 4 The **Date Joined** field indicates the Date on which the employee joined this Superannuation fund. The default date is the hired date.

- 5 The **Membership No** field contains the employee's membership number for the specified superannuation fund. This is an optional field. You may enter the employee's Superannuation Fund membership number if it has been supplied by the employee.
- 6 The **Account Name** field records the name of an employee's personal superannuation account. The field is only available if the fund is defined as **Personal**.
- 7 The Superannuation Fund **Category** is an optional field that uses codes supplied by superannuation companies. For example, if you are using the SA Super Interface, the last 3 characters in this field should be one of the following Employment Categories: 001 - Negotiated Employment contract; 100 - School assistant with 18% loading; 800 - Police officer; 850 - Police cadet; or 000 - Other.
- 8 The **Super Salary** field contains the employee's Annual Superannuation Salary if this value is required in your Superannuation Interface File.
- 9 The **Date Terminated** field indicates the date on which an employee left this superannuation fund or the date on which payments into this fund ceased. Enter the Date only if the employee is terminated from the fund or payments have stopped.
- 10 Click on **OK** to save the Superannuation Fund details.

In the Superannuation Contributions Section:

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NOTE: If only one Superannuation Fund is added for the employee, then by default, any Employer or Employee contribution will be attached to that fund. If more than one Superannuation Fund is attached to the employee, you must highlight the Superannuation Fund you wish to attach the Superannuation Contribution to before adding the Superannuation Contribution.

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On the Details tab:

- 11 The **Fund** field defines which superannuation fund is to be used.
- 12 Select the **Contribution Type** of **Employee**.
- 13 Where the contribution type of **Employee** is selected, the details displayed in this drop down will be **Deductions Before** or **After tax** that are associated with the Superannuation Fund selected. The fields below the Cost Account will be unavailable as they are not valid for this type.  
  
Where an Employee contribution type is added, this information will be displayed in the Additions and Deductions window and will have a tick displayed in the **EE Cont** column. This type of Deduction can only be modified in the Superannuation details section of the employee record. It is displayed in the Additions and Deductions window as it will be calculated as per the setup of the Deduction.
- 14 The **Value** field defines the amount of Employer or Employee contributions that go into the Superannuation scheme type. If you use a Fixed Amount scheme, an exact dollar amount can be entered in the field. For all other types, the field is unavailable.
- 15 Click on **OK** to save the Superannuation Contribution.

NOTE: SagePay contains default Superannuation Funds and Superannuation Contributions which are examples only. You will still need to attach Pay Components and Contributions to the Fund before attaching these to the employee.