

June 2008 Fordham Motor Dealer Services

Super on Commissions

Further to previous communications on this topic, we wish to remind all Dealers that changes to legislation regarding Superannuation Guarantee (SG) contributions are effective from 1 July 2008.

The changes enacted dictate that the only earnings base for employee SG purposes will be their Ordinary Times Earnings (OTE).

What does this mean?

From 1 July, commissions and bonuses paid will now be included in an employee's OTE for the calculation of SG contributions.

You should ensure the following is in place prior to 1 July 2008:

- All employees are fully informed of the changes to their remuneration structure;
- Your financial controller / internal accountant is aware of the change; and
- Your payroll / accounting system has been adjusted to cater for the changes in SG calculations.

Should you wish to discuss this matter further, please do not hesitate to contact one of our Fordham Motor Dealer Services team:

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