

Fact sheet



Apply to fix contribution errors



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If you've made an administrative error when paying contributions, you can apply to have this corrected

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spiritsuper.com.au
1800 005 166

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This fact sheet is for general information only and doesn't take into account your objectives, financial situation or needs. You should assess your financial position, personal objectives and needs before making a decision based on this information.

If you're considering acquiring or continuing to hold a particular financial product, you should obtain the *Product disclosure statement* relating to the product and consider it before making any decision. Spirit Super's *Product disclosure statement* (the *Member guide*) and *Target market determination* are available at spiritsuper.com.au/pds or by contacting us on 1800 005 166.

According to legislation, super contributions are preserved until a condition of release has been met. We can only reclassify or refund contributions if:

- we're satisfied the payment was genuinely made in error and
- we still hold the contribution.

What's an administrative error?

An administrative error may include:

- a clerical, administrative or computer error
- a contribution paid to the wrong employee
- the employee receives a super guarantee (SG) contribution that they aren't entitled to
- an employee is overpaid entitlements.

If you've paid an employee's contribution types incorrectly, for example you entered an employee's personal contributions as SG, you may apply to have the contributions reclassified. This will only be considered if you can demonstrate that an administrative error has occurred.

What isn't eligible?

A change of mind on behalf of the member or employer isn't considered to be an administrative error.

For example:

- a member realises they've exceeded the relevant contributions cap and wants to avoid paying extra tax
- an employer can't request a refund to recover debts owed by an employee.

You can apply for a refund or adjustment but we may decline applications in certain circumstances. These may include:

- the contribution was paid to someone who's no longer a member of Spirit Super
- the contribution was paid to Spirit Super instead of another fund - in this situation, the member can request a rollover to their chosen fund
- the contribution was paid to another super fund before the member rolled over to us
- the refund will cause complex tax implications for affected members.



How can you make a request?

You need to:

- complete our *Application to fix contributions errors* form
- let the impacted employee know of the administrative error and your application for a refund or reclassification¹. You should let your employee know that their Spirit Super insurance may be impacted and there may be tax implications. It's your responsibility to advise them to seek professional advice.

¹Your employee will need to sign this form if you're requesting a refund of \$2,000 or more.

Make sure you provide sufficient details about the error when completing the form. We may ask for more information or evidence to support your application.

What happens after I submit an application?

If your application to reclassify contributions is approved, we'll let you know when the contribution/s have been adjusted.

If your application for a refund is approved, the final amount may be adjusted to consider any negative investment earnings or out-of-pocket expenses we incurred. If you paid the contribution/s in the current financial year through a clearing house, then we'll refund back through the clearing house. Otherwise, we'll pay to the nominated bank details you provide on the form.

We retain the right to recover our costs if additional investigation or complicated calculations are required.

If your application is declined, you'll be notified, requiring no further action from you.



Nick
Spirit Super member

Key terms

Super guarantee

Under super laws, if you employ someone through a verbal or written contract, whether it be on a full-time, part-time or casual basis, you may have to pay super for your employees. The minimum super you must pay is called the super guarantee (SG).

Employer additional or award contributions

These are extra contributions you pay your employees in addition to your SG obligations. These may be required by your industry award or employment agreements.

Salary sacrifice contributions

Salary sacrifice is an arrangement between you and your employee to pay some of their salary or wages into their super fund before it's taxed. This may be tax-effective for some people as they only pay 15%² tax on these contributions, rather than their usual income tax rate.

²If your employee's combined income and before-tax contributions exceed \$250,000 a year, they'll pay an extra 15% on either their contributions, or the amount that is over the threshold – whichever amount is lower.

Personal/voluntary contributions

Your employees can make extra contributions to super, depending on their age, work status and total super balance. Employees may qualify for a government co-contribution if they make a personal after-tax contribution. Alternatively, employees may be able to claim a tax deduction for personal contributions they make, however the amounts claimed will incur contributions tax and won't be eligible for a government co-contribution.

More information is available at spiritsuper.com.au/employers.

More information

For more information, email us at info@spiritsuper.com.au or call us on 1800 005 166. If phoning from overseas, call us on +61 3 6270 4800.

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1800 005 166
info@spiritsuper.com.au
spiritsuper.com.au

PO Box 1547
Hobart TAS 7001

