

Superannuation for Aboriginal councils

Knowing how much super your council is required to pay for different types of employees can be difficult, but we've made it simple in the table below.

Type of employee	Employer contributions	
	Contributions required under Local Government Act	Superannuation guarantee contributions (9%) required
CDEP only	No	No
CDEP and paid extra wages for casual work	No	Yes, for extra wages
Casual only	No	Yes
Permanent*	Yes	No

Note: Additional employer contributions are allowed, but not compulsory, for each type of employee.

Permanent employees

A permanent employee for superannuation purposes is someone who has been continuously employed by a council for at least 1 year, or if they have been continuously employed by council for less than 1 year, has advised the council that they would like to be considered a permanent employee. (Local Government Act, section 1171). As permanent employees are employed continuously by council, contributions to LGsuper should be remitted following each pay period.

Councils are required to contribute 12% employer contributions and 6% standard member contributions for 2007/08 and beyond. The standard member contribution should be recovered from the employees wages/salary. These contributions must be paid to LGsuper in accordance with the Local Government Act. They cannot be paid into another super fund.

If an employee is working additional hours above CDEP on and off for a few weeks over a couple of months they're not considered a permanent employee for superannuation purposes, and as such standard member contributions of 6% and the higher employer contribution of 12% is not required. Superannuation guarantee contributions of 9% may be payable though.

Casual and CDEP employees

Council employees employed on an irregular or casual basis are not considered 'permanent employees' and therefore contributions are not payable by council under the Local Government Act. Any contributions paid by council should be classified as either superannuation guarantee contributions (payable under the Superannuation Guarantee Act) or additional contributions payable under employment conditions set by council.

For CDEP employees, no superannuation contributions can be funded from CDEP funds.

Additional employer contributions

Additional employer contributions are those paid on top of amounts required under the *Local Government Act* or the *Superannuation Guarantee Act*. Normally they are contributions payable under special employment conditions set by council, but they could also be salary sacrifice contributions. There is no obligation for councils to pay additional contributions.

What about insurance?

Permanent employees receive death and total and permanent disability insurance based on a multiple of their salary, converted to a number of units of cover on their first day of employment. If working 15 hours or more per week, these employees also receive total and temporary disablement insurance that covers them if they are temporarily unable to work due to sickness or injury.

Employees receiving superannuation guarantee contributions receive 4 units of death and total and permanent disability cover while they are under age 60.

More details on insurance can be found in the relevant LGsuper guide (PDS).

Administration requirements

1. All new council employees having superannuation contributions paid into LGsuper by council are required to complete a *New employee information form* and have council forward the forms to LGsuper within 2 weeks of their commencement with council.
2. Council must forward a *Termination advice form* for all employees within 2 weeks of their cessation of employment with council.
3. Both member and employer contributions should be forwarded to LGsuper within 14 days of the end of the pay period, along with an email providing details of who the contributions are for and for what amount.
4. Changes to permanent employees salary levels should be advised to LGsuper with the council's contribution returns. Salary levels are used to calculate permanent employees insurance cover for death and disability.
5. Any additional employer contributions paid by council must be identified as 'additional employer' contributions and must be reported separately from the *Local Government Act* contributions and superannuation guarantee contributions.
6. Any member contributions must be reported separately from the employer contributions and be shown as either *Local Government Act* contributions or member voluntary contributions.

Any questions?

LGsuper is here to help. Contact us on 1800 444 396 to talk through your options and have your questions answered.

This info sheet has been prepared by the Queensland Local Government Superannuation Board (AFSL 230511 RSE Licence No. L0000178) on behalf of the Local Government Superannuation Scheme (ABN 23 053 121 564 RSE Registration No. R1000160). Information on products offered by the Board can be found in our product disclosure statements.

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