

Administering the Super Guarantee Amnesty

On 6 March 2020 the government introduced a superannuation guarantee (SG) amnesty. The amnesty allows employers to disclose and pay previously unpaid super guarantee charge (SGC), including nominal interest, that they owe their employees, for quarter(s) starting from 1 July 1992 to 31 March 2018, without incurring the administration component (\$20 per employee per quarter) or Part 7 penalty.

In addition, payments of SGC made to the ATO after 24 May 2018 and before 11:59 PM 7 September 2020 will be tax deductible.

COVID-19 IMPACT

Employers adversely affected by COVID-19 can make special payment arrangements with the ATO. These arrangements include:

- making flexible payment terms and amounts which the ATO will adjust if the employer's circumstances change, and
- extending the payment plan to beyond 7 September 2020. However, only payments made by 7 September 2020 will be deductible.

Those employers who are still unable to adhere to these payment arrangements would be disqualified and would not be able to benefit from the amnesty. However, the ATO said that:

- the disqualification will only apply to any unpaid quarters
- the ATO will advise the employer which quarters are unpaid — for these quarters the ATO will re-apply the administration component of \$20 per employee included in the disqualified quarter, and
- the ATO will also take the employer's circumstances into account when deciding whether a Pt 7 penalty should be applied to its disclosure; and a review of its circumstances may result in the penalty being reduced to nil.

Early release of Superannuation due to COVID-19

The ATO will be deploying the application form for individuals on Monday, 20 April 2020.

An individual can make one application in the 2019/20 financial year and one application in the 2020/21 year before the measure ends on **24 September 2020**.

The application is accessed in one of two ways:

- members can authenticate themselves through myGov and complete the application form in ATO Online, or
- members who cannot access the form online can call the ATO to complete the application.

It will take approximately 1 to 2 business days for the fund to receive notifications about their members. Funds can expect to start receiving notifications from Tuesday, 21 April 2020.