



# Superannuation holding accounts (SHA) special account – closed after 30 June 2006

## WHAT IS THE SHA SPECIAL ACCOUNT?

The SHA special account (previously known as the superannuation holding accounts reserve) is a special account administered by the Tax Office. A small number of employers use the SHA special account to meet their superannuation guarantee obligations for their employees.

The SHA special account is not a trust fund or an alternative superannuation fund. It is a holding mechanism designed to protect employees' small superannuation amounts until they can be transferred into a complying superannuation fund or retirement savings account.

## WHEN IS THE SHA SPECIAL ACCOUNT CLOSING?

The SHA special account will be closed to employer deposits after 30 June 2006.

Until 30 June 2006, payments to the SHA special account can satisfy your superannuation guarantee obligations and you can use the SHA special account as your employer fund for the 2006 financial year, provided the payment is made before 1 July 2006.

## WHAT DO I NEED TO DO IF I AM CURRENTLY USING THE SHA SPECIAL ACCOUNT?

You will need to make alternative payment arrangements with a complying superannuation fund or retirement savings account to meet superannuation guarantee and choice of superannuation fund obligations. Employers are encouraged to make these arrangements before 30 June 2006 to avoid paying the superannuation guarantee charge.

Choice of superannuation fund is an Australian Government initiative that provides many employees with the right to choose the superannuation fund or retirement savings account that will receive their superannuation guarantee contributions.

Under the choice of superannuation fund rules, please remember that you may have an obligation to make employer superannuation contributions to a fund chosen by your employees. This means that any superannuation contributions you pay on behalf of your eligible employees must be to their chosen fund.

If an employee does not choose a fund, you should continue making contributions to the fund you nominated as the employer fund.

**!** Until 30 June 2006, payments to the SHA special account can satisfy your superannuation guarantee obligations and you can use the SHA special account as your employer fund for the 2006 financial year. However, after 30 June 2006, the SHA special account will be closed to employer deposits. From this time, you will **not be allowed** to make a deposit into the SHA special account for your employees to satisfy your superannuation guarantee or choice of superannuation fund obligations.

**➔** To find out more about choosing a superannuation fund refer to *Choice of superannuation fund – guide for employers* (NAT 13185), visit our website [www.superchoice.gov.au](http://www.superchoice.gov.au) or phone **13 28 64**.

## WHAT IS THE SUPERANNUATION GUARANTEE CHARGE?

If you do not pay enough superannuation guarantee contributions for your employees by the cut-off dates or fail to meet your choice of superannuation fund obligations you have to lodge a *Superannuation guarantee quarterly statement* (NAT 9599) and pay the superannuation guarantee charge to the Tax Office.

The superannuation guarantee charge includes your unpaid superannuation guarantee contribution, as well as a nominal interest charge of 10% and an administration fee of \$20 per employee you have not paid superannuation guarantee for. You will not be able to claim a tax deduction for any part of the superannuation guarantee charge.

If you attempt to make a deposit to the SHA special account after 30 June 2006, you may not satisfy your superannuation guarantee or choice of superannuation fund obligations and may have to pay the superannuation guarantee charge.

**!** Don't leave it to the last minute and risk paying the superannuation guarantee charge. You should make arrangements now with a complying superannuation fund or retirement savings account to pay your superannuation guarantee contributions.

## WHAT IF MY EMPLOYEES ARE COVERED BY AN AWARD OR AGREEMENT?

If your employees are covered by a state industrial award or industrial agreement, or a federal certified agreement or Australian workplace agreement, you should make your employer superannuation contributions into the superannuation fund (if any) specified in that industrial award or agreement. If you are covered by a federal industrial award, or are not covered under an award, you can make your employer superannuation contributions into a chosen fund for an employee if that employee has made a valid choice.

If you have been using the SHA special account, you should make alternate arrangements to contribute to a complying superannuation fund or retirement savings account for your employees as soon as possible.

## WHAT HAPPENS TO EXISTING MONEY IN THE SHA SPECIAL ACCOUNT?

Current accounts in the SHA special account will be preserved until an employee makes a direct claim or requests a transfer of their entitlement to a complying superannuation fund or retirement savings account.

### **➤** MORE INFORMATION

For more information about the SHA special account, the superannuation guarantee or choice of superannuation fund:

- visit [www.ato.gov.au/super](http://www.ato.gov.au/super) or [www.superchoice.gov.au](http://www.superchoice.gov.au)
- phone our information line on **13 10 20** between 8.00am and 6.00pm, Monday to Friday
- phone our choice of superannuation fund information line on **13 28 64** between 8.00am and 6.00pm, Monday to Friday
- obtain a fax by phoning **13 28 60**, or
- write to:  
**Australian Taxation Office**  
**PO Box 277**  
**World Trade Centre VIC 8005**

If you do not speak English well and want to talk to a Tax Officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

People with a hearing or speech impairment with access to appropriate teletypewriter (TTY) or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.