

FACT SHEET – SG TOP UP CONTRIBUTIONS

Uniting Church in Australia Beneficiary Fund – a plan in the Mercer Super Trust (MT346)

Top-up Contributions

Where a Minister's Ordinary Time Earnings (OTE) is greater than the Notional Stipend and OTE threshold, a top-up contribution may be required to ensure SG (Superannuation Guarantee) obligations are always being met by the Church / sponsoring body.

OTE for a financial year is generally the amount that would be included in a Minister's PAYG Summary for ATO reporting purposes. The following table lists the common items which are and are not included in OTE:

Included in OTE	Not included in OTE
Cash stipend received	Any amount (including rent, car and petrol allowances) sacrificed via the Member's Benefit Account (MBA)
Rent in lieu of manse <i>paid directly to Minister</i>	Petrol cost reimbursements
Car allowance <i>paid directly to Minister*</i>	Allowances for ad-hoc travel, stationery and postage, hospitality, manse
Petrol allowance <i>paid directly to Minister*</i>	Payment to the National Home Endowment Fund
	Ministers' insurance
	Long Service Leave levy
	Superannuation / Beneficiary Fund contributions

* These items are not included in OTE if the allowance is expected to be used completely in performing work duties.

Which Ministers will be affected as the Superannuation Guarantee (SG) rises occurring incrementally until 2025?

Where a Minister's OTE is less than the OTE threshold (which varies depending on the member's category and the SG rate), the Fund Actuary will certify that Beneficiary Fund benefits are sufficient to meet the Church's SG obligations and an additional contribution will not be required.

Generally speaking, additional SG contributions will only usually be required to be made with respect to 'higher-earning Ministers who receive higher than typical earnings. Generally this

classification includes Ministers who are not performing regular ministerial duties in local congregations. Higher-earning Ministers will need to receive additional contributions if their quarterly OTE exceeds the OTE threshold for any quarter.

Note: The Church is solely responsible for ensuring it meets its respective SG requirements via the identification of these Ministers, calculating and making any additional superannuation contributions.

What is the OTE threshold?

The OTE threshold varies depending on membership category and Notional Stipend. The dollar amount of the OTE threshold will change annually at 1 July when Notional Stipend changes. The level of the OTE threshold will change with each incremental increase to the SG rate.

Additional contribution thresholds:

If a Minister has earnings above the thresholds calculated below then the SG contribution which is currently 9.5% of OTE must be paid as an ‘additional employer’ **accumulation** contribution at the end of each applicable quarter. If you are unsure how to complete the remittance file per Mercer Spectrum or Employer Online, please contact the Mercer Employer Support Helpline for assistance (Tel: 1300 721 408).

A reminder regarding the applicable quarterly SG payment dates follows:

Quarter	Due date for payment of additional contributions
1 July – 30 September	28 October
1 October – 31 December	28 January
1 January – 31 March	28 April
1 April – 30 June	28 July

The notional stipend effective 1 July 2016 is \$54,163 p.a.

The OTE threshold for the 2016-17* year is different for each relevant member category and they do not apply to category 3_4 members:

Category 1 & 2, defined benefit = $\$54,163 \times 156\% / 4$ = threshold of \$21,124 per quarter.

Category 5, defined contribution = $\$54,163 \times 158\% / 4$ = threshold of \$21,395 per quarter.

Category 6, defined benefit = $\$54,163 \times 130\% / 4$ = threshold of \$17,603 per quarter.

*these thresholds will change each year because they are linked to the Notional Stipend. Mercer to provide updates each year