



# How to Calculate Superannuation Contributions for Public Sector Employees

## Guidelines for public sector employers – July 2025

It is the responsibility of each employer to ensure that the correct superannuation contributions are paid for its employees.

### Statutory basis for making Superannuation Contributions

Part 2A of the *State Superannuation Act 2000* (SSA) requires employers to make superannuation guarantee (SG) contributions for their employees to ensure that a SG shortfall is avoided. This means that an employer must calculate SG contributions for employees in accordance with the SSA, which mirrors the relevant provisions of the Commonwealth's *Superannuation Guarantee (Administration) Act 1992* (SGA Act).

### Ordinary Time Earnings

The SGAA requires contributions to be made by reference to the concept of ordinary time earnings (OTE). In the State Superannuation Regulations 2001 (Regulations), these OTE based contributions are referred to as section 4B contributions. A more detailed discussion of the concept of OTE can be found in Superannuation Guarantee Ruling SGR 2009/02, and examples of which various payments are included in OTE are provided in Appendix 1 of that ruling.

### Additional Items

It is important to be aware that the Regulations broaden the contribution base used by State employers by requiring them to make contributions in respect of additional items for State workers (as well as OTE) when calculating SG contributions. These additional items are listed in regulation 12D. Contributions made under this requirement in respect of additional items are referred to in the Regulations as section 4C contributions. A list of the additional items is set out in Table 1.

### Calculating the amount of Contributions

If your employee is a member of West State Super, GESB Super or has exercised choice, the SG contributions for that employee are calculated on the sum of the employee's OTE and additional items.

Ordinary Time Earnings (Commonwealth SGAA)  
(Section 4B contributions)

**plus**

additional items for State workers (State Superannuation Regulation 12D)  
(Section 4C contributions)

## Exempt employers

Employers listed in Regulation 12E are exempt from paying Section 4C contributions. They are only required to use OTE as the base for SG contributions for their employees unless the employee is a member of a GESB defined benefit scheme.

## Gold State Super and Pension Scheme Members

If your employee is a member of Gold State Super or the Pension Scheme, OTE concepts do not apply. Generally, superannuation contributions for Gold State Super members should be calculated on employee payments except where these are specifically excluded under Regulation 17A. Superannuation contributions for Pension Scheme members are based on the requirements set out in section 6(1) of the *Superannuation and Family Benefits Act 1938*.

## Common payments and their treatment for superannuation purposes


The following list is intended to be comprehensive but should not be seen as exhaustive. Also, the labels used to describe some allowances may be in some cases misleading. It will be necessary in each case to determine what the allowance is paid for, rather than rely on the name given to the allowance. The list includes the additional items for State workers set out in the Table 1 in regulation 12D of the Regulations. If there is any doubt regarding whether superannuation is to be paid on a particular allowance, please contact the State Solicitor's Office for clarification.

Table 1 Common payments and their treatment for superannuation purposes

	OTE only (SGA Act Commonwealth)	OTE Additional Items for State workers	Other GESB Schemes
Payment type	Ordinary Time Earnings (OTE)	GESB Super, West State Super, Choice Funds	Gold State Super, Pension Scheme
Annual leave loading	Usually <sup>1</sup>	Yes	No
Annual leave payment	Yes	Yes	Yes
Attraction and retention allowance	Yes	Yes	Yes <sup>2</sup>
Benefits subject to FBT	No	No	No
Bereavement leave	Yes	Yes	No
Bonuses <sup>3</sup> that are:			
• Assessable income for income tax purposes and not paid for work exclusively outside ordinary hours	Yes	Yes	No
• Attraction, sign-on or retention lump sum payments that are assessable income for income tax purposes	Yes	Yes	No
• Paid for work exclusively outside ordinary hours	No	No	No
• Not assessable in the hands of the employee for income tax purposes	No	No	No
Casual loading	Yes	Yes	Yes
Commissions	Yes	Yes	No
Commutated overtime payment	No	Yes	Yes
Directors' fees	Yes	Yes	Yes
District allowance	Yes	Yes	No
Long service leave payment	Yes	Yes	Yes
On-call allowance <sup>5</sup>	No	Yes	Yes
Over Award payments	Yes	Yes	Yes
Overnight travel allowance	Yes	Yes	No
Overtime	No	No	No
Redundancy payments	No	No	No
Reimbursement for expenses (travel etc)	No	No	No
Remote allowance	Yes	Yes	No <sup>4</sup>
Salary or wages greater than SGA Act maximum contribution base	No	Yes	Yes
Salary or wages paid for jury service by the worker's usual employer	Yes	Yes	Yes
Salary or wages paid for parental leave <sup>8</sup>	No <sup>7</sup>	Yes	Yes
Salary or wages paid for undertaking service in the ADF (e.g. Reserves) by the worker's usual employer	No	Yes	Yes
Salary or wages paid for voluntary emergency management activity under the <i>Fair Work Act 2009</i> , by the worker's usual employer	No	Yes	Yes
Salary or wages paid to a worker holding a visa or entry permit set out in SGA 1993 Regulation 7(1) and satisfying its conditions	No	Yes	Yes
Salary or wages paid to a worker of less than \$450 per month	Yes	Yes	Yes
Salary or wages paid to a worker under 18 years of age to work no more than 30 hours per week	No	Yes	Yes
Salary sacrificed payment, benefit, or allowance	Yes	Yes	Yes
Shift loadings	Yes	Yes	Yes
Sick leave payment	Yes	Yes	Yes
Termination of employment payments that are:			
• Lump sum payment in lieu of unused sick leave	No	No	No
• Lump sum payments for unused annual or long service leave	No	No	No
• Payments in lieu of notice	Yes	Yes	No
Weekly compensation payments under the <i>Workers' Compensation and Injury Management Act 2023</i>	Possibly <sup>6</sup>	Yes	Yes

**Notes:**

- <sup>1</sup> This loading is OTE except if linked to the loss of opportunity to work overtime. Under the regulations it will attract employer contributions to GESB Super, WSS and Choice Funds.
- <sup>2</sup> This allowance is applicable to Gold State Super and the Pension Scheme subject to being an ongoing entitlement of the position. However, see also Bonuses, where lump sum payments for attraction and/or retention are excluded for Gold State Super and the Pension Scheme.
- <sup>3</sup> Bonuses were excluded from superannuation for WSS and GESB Super until 1 July 2008, when OTE rules were standardised.
- <sup>4</sup> If this is paid to compensate a Gold State Super or Pension Scheme employee for remoteness and social isolation arising from the location, then it should be included in the superannuation calculation. However, if it is paid to compensate a Gold State Super or Pension Scheme employee for costs associated with the location, it is not included in the superannuation calculation.
- <sup>5</sup> If this is paid for an employee to be available for work out of normal hours then it should be included in the superannuation calculation. However, if it is paid for actual hours worked outside of normal hours, the on-call allowance is treated as overtime and does not form part of superannuation calculations.
- <sup>6</sup> The OTE status of Worker's Compensation payments vary depending on whether work is performed or not. However, under the regulations



these payments will attract employer contributions for State Workers. This allowance is applicable to Gold State Super and the Pension Scheme subject to being an ongoing entitlement of the position. However, see also Bonuses, where lump sum payments for attraction and/or retention are excluded for Gold State Super and the Pension Scheme.

<sup>7</sup> For children born from 1 July 2025, superannuation will be payable on Commonwealth-funded paid parental leave under changes enacted by the *Paid Parental Leave Amendment (Adding Superannuation for a More Secure Retirement) Act 2024* (Cth).

<sup>8</sup> Where an employer is required to make additional contributions under Regulation 12D, this includes an amount in respect of Unpaid Parental Leave under the Treasurer's declaration published in the Gazette on 28 January 2020.