

Module 2: Superannuation

Understanding Your Retirement Savings

What is Superannuation?

Superannuation (or 'super') is money that your employer pays into a special retirement savings account for you. This money is invested and grows over time. You can access it when you retire (usually around age 60-67). Super is separate from your wages—it's paid ON TOP of your salary.

Superannuation Guarantee Rate

Employers must pay 12% of your ordinary earnings into your super account. This is called the Superannuation Guarantee (SG). This means if you earn \$800 in a week, your employer must pay an additional \$96 (12% of \$800) into your super account. You receive the full \$800 in your pay, plus the \$96 goes into super.

Eligibility for Under 18s

If you're under 18, you must work MORE THAN 30 HOURS IN A WEEK to be eligible for super. If you're 18 or over, you're eligible regardless of how many hours you work.

Why Super Matters

Even though retirement seems far away, super is important because of compound interest. The earlier you start saving, the more your money grows. Money saved in your teens can be worth much more by retirement because it has decades to grow through investment returns.

Key Points to Remember

- Super is paid BY your employer, not deducted from your wages
- You can't access super until you retire (except in special circumstances)
- Your super is invested and grows over time through compound interest
- You can choose which super fund your employer pays into
- Check your super balance regularly through myGov
- Starting early makes a huge difference to your retirement savings

Useful Resources

ATO Super Information: www.ato.gov.au/businesses-and-organisations/super-for-employers

Check Your Super: my.gov.au

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