



Current at 30 July 2008
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Superannuation contributions – What are ordinary time earnings?

From 1 July 2008, you must calculate those superannuation contributions you make for “employees” (which include directors, “labour only” and “substantially labour only” contractors) by multiplying 9% by the employee’s ordinary time earnings. This information sheet sets out what is included (and excluded from) the definition of “ordinary time earnings”.

Type of payment	Includes:	Excludes:
Payments to employees “in relation to ordinary hours worked” (Ordinary hours are agreed hours and may include nights and weekends)	<ul style="list-style-type: none"> • Wages paid for rostered days off • Commission • Over-award payments • Shift Loading • Casual Loading 	<ul style="list-style-type: none"> • Overtime • Payments in lieu of notice • Redundancy payments • Other payments upon termination of employment • Payments for entering into a restraint of trade agreement • Payments for private or domestic work under 30 hours per week.
Top up payments	Where work is performed	Where work is not performed (such as when attending jury duty or taken for reserved forces, eg army camp)
Allowances	Award allowances paid because of working conditions – for example, dirt allowances & locality allowances	Expenses reimbursements – for example, travel & meals
Payments in relation to leave	Payments made to employee whilst on: <ul style="list-style-type: none"> • sick leave, • annual leave or • long service leave 	<ul style="list-style-type: none"> • Sick Leave: <ul style="list-style-type: none"> ○ lump sum payment when employment is terminated • Annual leave: <ul style="list-style-type: none"> ○ annual leave loading ○ lump sum payment when employment is terminated • Long Service Leave: <ul style="list-style-type: none"> ○ lump sum payment when employment is terminated ○ payments made directly to an employee by a fund or scheme (eg portable long service scheme) • Parental Leave
Bonuses	That relate to work	That do not relate to work, having the nature of a gift and not subject to negotiation (eg Christmas Bonus)
Benefits		Subject to Fringe Benefits Tax



Type of payment	Includes:	Excludes:
Payments to Directors	Director's Fees	<ul style="list-style-type: none"> Dividends Partnership & Trust Distributions Payments for entering into a restraint of trade agreement
Payments to Contractors	Payments to "labour only or substantially labour only" contractors (labour portion only)	<ul style="list-style-type: none"> Non-labour portion of payments to substantially labour only contractors. Payments to other types of contractors.
Workers' Compensation payments	Paid by employer where work is performed (including top-up payments)	(Including top-up payments) where no work is being performed.
Government payments (other than WorkCover)	Wage subsidies (eg Job Start Allowance)	Other types of government payments.

For more information, call the HIA Memberline on 1300 650 620.