What is super?

In simple terms, superannuation (super for short) is a way to save for your retirement. It's compulsory for employers under Australian law, so it pays to know how it works.

How super works

While you are working your employer is required to pay contributions into your super fund (providing you satisfy the definition of an 'eligible employee' outlined below). These contributions are called the Super Guarantee (SG). Currently the SG rate is 9.5% of your salary. The rate will remain at 9.5% until 1 July 2021, when it will increase to 10%.

Generally, you choose which super fund you would like your contributions to go into. If you don't (or can't) make a choice, your employer will pay the money into a 'default' super fund.

You can also make extra contributions and top up your super by salary sacrificing (pre-tax contributions), making after tax contributions, and/or consolidating your super accounts.

Most super funds, like WA Super, then invests the money according to your investment choice, or if you have not made a choice, in the 'default' investment option. Investment returns, which can be positive or negative, are added or deducted from your account together with administration fees and investment fees, insurance costs and taxes.

Who is eligible?

To be eligible to receive the SG you must be working full-time, part-time or casual and paid more than $450 (before tax) each month. If you are under 18, you must work more than 30 hours a week.

Accessing your super

Super is a long term investment and is generally only meant to be accessed when you retire. In order to withdraw some, or all, of your super, you need to meet a condition of release, such as retirement on or after your preservation age, death, or permanent disability. Find out more here.

Find out more

View our educational module 'Super Basics' to learn more.

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