RISK PROTECTOR

Your First Line of Defence Against Director Liability, ATO Enforcement and Asset Exposure

BUSINESS & DIRECTOR RISK IDENTIFIER TOOL — NO. 10

Superannuation & Entitlement Risk Check

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WHAT THIS TOOL DOES — AND WHAT IT DOES NOT DO

Superannuation obligations and employee entitlements are among the most underestimated sources of personal director liability in Australian business. Unlike most business debts, unpaid superannuation creates a direct and automatic pathway to a Director Penalty Notice — making it a personal liability obligation, not just a company one. Many directors are completely unaware of their exposure until the ATO issues a formal notice or a liquidator identifies unpaid entitlements that have been accumulating quietly for years. This tool is designed to help you identify whether your superannuation and entitlement position is creating hidden personal liability right now.

This is not a diagnostic. It does not measure the severity of what it finds or tell you how to address it. What it does is reveal whether your superannuation and employee entitlement position carries risks that connect directly to your personal director liability, your ATO exposure and your business's ability to meet its statutory obligations. Your score at the end will tell you whether this needs to go further.

1	Read each question and tick **YES**, **NO** or **UNSURE** honestly. If you are unsure whether superannuation or entitlements have been paid correctly — that uncertainty is itself a significant risk signal.
2	The **RISK column** shows the consequence level if your answer is NO or UNSURE. HIGH means a direct personal liability exposure or ATO enforcement pathway. MEDIUM means a developing vulnerability that needs attention.
3	Count your NO and UNSURE answers in the Score Summary at the end. Your HIGH risk gap total is your most important result.
4	If RED or AMBER risk gaps are present the next step is clear, free and waiting for you at the end of this tool.

SECTION 1 — Superannuation Guarantee Compliance

Is superannuation being paid correctly, on time and in full — for every eligible employee every quarter?

#	Question	YES	NO	UNSURE	RISK
1	Are all superannuation guarantee contributions for every eligible employee paid in full to the correct fund by the quarterly due date — not just accrued but actually remitted?	☐	☐	☐	HIGH
2	Is your business completely free of any outstanding Superannuation Guarantee Charge — the penalty tax that applies when super is paid late or not in full?	☐	☐	☐	HIGH
3	Have you confirmed with your accountant or payroll system in the last 12 months that the superannuation rate being applied is correct for every employee category?	☐	☐	☐	HIGH
4	Are superannuation contributions being calculated on the correct ordinary time earnings base — including all allowances, bonuses and payments that are required to be included?	☐	☐	☐	HIGH

5	Has your business never used delayed superannuation payments as a source of short-term cash flow — deferring payments beyond their due date to manage working capital?	☐	☐	☐	HIGH

SECTION 2 — Director Penalty Notice Exposure from Superannuation

Do you understand how unpaid superannuation creates direct and automatic personal liability for directors?

#	Question	YES	NO	UNSURE	RISK
6	Do you understand that unpaid Superannuation Guarantee Charge creates a direct and automatic pathway for the ATO to issue a Director Penalty Notice making you personally liable — regardless of the company's financial position?	☐	☐	☐	HIGH
7	Are you confident that no SGC liability has accumulated in your company at any point that has not been fully paid and cleared?	☐	☐	☐	HIGH
8	Do you monitor the ATO's superannuation guarantee clearing house or your payroll system to confirm that contributions are actually received by the fund — not just processed by your system?	☐	☐	☐	HIGH
9	Have you received any ATO correspondence, audit notice or inquiry specifically about your company's superannuation guarantee obligations in the last three years?	☐	☐	☐	HIGH
10	If your company entered financial difficulty tomorrow, do you know whether outstanding superannuation would be a lockdown DPN obligation — meaning you cannot avoid personal liability even by placing the company into administration?	☐	☐	☐	HIGH

SECTION 3 — Employee Entitlements & Leave Obligations

Are employee entitlements properly provisioned, accurately calculated and payable from current resources?

#	Question	YES	NO	UNSURE	RISK
11	Are all employee annual leave entitlements accurately accrued, recorded in your financial statements and fully payable from current business resources?	☐	☐	☐	HIGH
12	Are all long service leave entitlements accurately calculated, provisioned and payable — including for long-tenure employees who may be approaching eligibility?	☐	☐	☐	HIGH
13	Are all employee termination entitlements — redundancy, notice pay and accrued leave — fully provisioned and payable without requiring external funding if an employee is terminated?	☐	☐	☐	HIGH
14	Are you aware of any employees who may have entitlements that are undercalculated, under-provisioned or not recorded — including contractors or workers who may have been misclassified?	☐	☐	☐	HIGH
15	Has your payroll been reviewed by a specialist in the last three years to confirm that classification, rates, allowances and entitlements are correct under the applicable Modern Award or enterprise agreement?	☐	☐	☐	MEDIUM

SECTION 4 — PAYG Withholding Obligations

Is PAYG withholding being calculated, withheld and remitted correctly — every pay cycle without exception?

#	Question	YES	NO	UNSURE	RISK
16	Is PAYG withholding being calculated correctly on all employee payments — including wages, salaries, allowances, bonuses and termination payments?	☐	☐	☐	HIGH
17	Is all withheld PAYG remitted to the ATO by the due date every cycle — with no delays, deferred remittances or outstanding withheld amounts in the business?	☐	☐	☐	HIGH
18	Is your business free of any outstanding PAYG withholding liability — with all amounts collected from employees properly remitted and no accumulated arrears?	☐	☐	☐	HIGH
19	Do you understand that withheld but unremitted PAYG creates a lockdown DPN obligation — meaning personal liability that cannot be avoided even by placing the company into administration after the obligation arises?	☐	☐	☐	HIGH

SECTION 5 — SMSF, Contractor & Classification Risk

Do contractor arrangements and SMSF obligations create hidden superannuation liability you may not have identified?

#	Question	YES	NO	UNSURE	RISK
20	Have all contractors and consultants engaged by your business been assessed for superannuation guarantee obligations — confirming whether they are employees for super purposes regardless of their contract structure?	☐	☐	☐	HIGH
21	If you or any director has a Self-Managed Super Fund that has received employer contributions from the company, are those contributions current, correctly documented and compliant with SMSF trustee obligations?	☐	☐	☐	MEDIUM

YOUR SCORE SUMMARY

Count your answers and enter the totals below. Your HIGH risk NO and UNSURE answers are the most important number on this page.

✓ YES ANSWERS	✗ NO ANSWERS	? UNSURE ANSWERS
________	________	________
questions ticked	*questions ticked*	*questions ticked*

HIGH RISK QUESTIONS ANSWERED NO OR UNSURE — QUESTIONS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20

My count: ______ out of 19 HIGH risk questions

Each HIGH risk gap means superannuation or entitlement obligations that connect directly to your personal director liability through the ATO's Director Penalty Notice regime. Unlike most business debts, these obligations bypass the corporate veil and reach you personally — automatically and without further process.

WHAT YOUR SCORE MEANS

Score	What It Means
0 HIGH gaps	Your superannuation and entitlement position shows no obvious HIGH risk vulnerabilities based on your answers. Review this tool every 12 months and

	immediately if your workforce size, employee classification arrangements or payroll structure changes.
1 to 3 HIGH gaps	Real superannuation or entitlement vulnerabilities exist in your current position. These are not abstract compliance risks — they are direct pathways to personal director liability through the ATO's Director Penalty Notice regime. SGC and PAYG withholding obligations that are outstanding or incorrectly calculated create automatic personal liability that is extraordinarily difficult to defend or reverse once it crystallises. Addressing these gaps requires specialist knowledge that goes well beyond routine payroll or accounting advice.
4 to 8 HIGH gaps	Multiple serious superannuation and entitlement vulnerabilities exist simultaneously. The combination of SGC liability, PAYG withholding arrears and underprovided employee entitlements creates compounding personal director liability that the ATO is specifically mandated and resourced to pursue. Each obligation that remains unpaid or incorrectly managed adds to a liability position that bypasses your company structure and reaches you personally. This situation requires forensic structural review, not just payroll correction.
9 or more HIGH gaps	Your superannuation and entitlement exposure is at a critical level across multiple obligation areas simultaneously. The ATO's Director Penalty Notice regime for SGC and PAYG withholding creates personal liability that is automatic, difficult to defend and that can result in the ATO pursuing you personally for amounts that may equal or exceed the total value of your personal assets. This is one of the most serious and least understood sources of personal director liability in Australian business and it requires immediate forensic structural attention.

This tool is a self-awareness resource only. It is not a diagnostic, not advice and does not replace a professional structural assessment.

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