



# AIST submission

**Response to Treasury: Exposure Draft –  
Payslip reporting of superannuation  
contributions**

**20 February 2012**



Australian Institute of Superannuation Trustees

## Background

The Government has released numerous pieces of legislation to give effect to its Stronger Super package of reforms to the superannuation industry.

One element of the package involves measures designed to enhance the “back office” of superannuation collectively known as SuperStream. Within this stream are further measures known as Securing Super aimed at protecting employee entitlements

Treasury has released an Exposure Draft and Explanatory Memorandum for legislation requiring payslip reporting of superannuation contributions. This legislation will, *inter alia*, give the Fair Work Ombudsman administrative responsibility in this area.

While most elements of the SuperStream package are inter-related, this legislation is not structurally connected to other parts of the package.

AIST had been represented throughout the industry consultations on Stronger Super, including the streams considering SuperStream and Securing Super.

## AIST

The Australian Institute of Superannuation Trustees (AIST) is an independent, not-for-profit professional body whose mission is to protect the interests of Australia’s \$450 billion not-for-profit superannuation sector. AIST’s members are the trustee directors and staff of industry, corporate and public-sector superannuation funds, who manage the superannuation accounts of two-thirds of the Australian workforce.

AIST is a registered training organisation and has recently expanded its education program to encompass the growing and changing needs of all members of the not-for-profit superannuation sector.

AIST offers a range of services including compliance and consulting services, events - both national and international - as well as member support. AIST also advocates on behalf of its members to relevant stakeholders.

AIST’s services are designed to support members in their endeavour to improve the superannuation system and build a better retirement for all Australians.

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## 1 Executive summary

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AIST supports this legislation requiring payslip reporting of superannuation entitlements as an element in the implementation of the SuperStream measures, and as a means of protecting workers' superannuation.

The legislation creates a broad requirement to include superannuation information on payslips, with the detail of these requirements to be provided in regulations.

It is noted that Government policy proposals to notify members of contributions made will be the subject of subsequent legislation.

AIST's key recommendation is that the Explanatory Memorandum be amended to note forthcoming Regulations to require the reporting of *actual* contributions paid from 1 July 2013 (subject to there being no significant payroll costs at that time). This is consistent with the Government's policy announcement of September 2011 in the Stronger Super information pack.

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## 2 Recommendations

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### 2.1 Payslip information to be provided

This proposed requirement for payslip reporting of superannuation entitlements has been included as an element in the implementation of the SuperStream measures considered by the SuperStream Working Group.

This legislation creates a broad requirement to include superannuation information on payslips, with the detail of these requirements to be provided in regulations.

AIST supports the application of these requirements to all salary-related superannuation contributions.

On the face of it, the requirement to give information in proposed subsection 336JA(2) is very broad, and is in no way qualified. Subsection 336JA(2)(b) states that this information will be prescribed by the regulations but does not necessarily require that the requirements will be qualified or limited by regulation.

The Explanatory Memorandum states in paragraph 4 that regulations will be made requiring employers to report the date on which they *expect to make* their contribution.

This is consistent with *part* of the Government policy announcements on payslip reporting.

In the Government's Stronger Super Information Pack (September 2011) it states:

*“From 1 July 2012, employers will be required to report on payslips an ‘expected payment on or before’ date in addition to the current entitlement during the pay period. In many cases this will be the superannuation guarantee due date, or a due date under a workplace agreement or award. In some cases, however, where they remit contributions sooner, employers may choose to disclose an earlier date.”*

*This will provide up-to-date information to employees on when they can expect superannuation contributions and will allow them to follow up with their superannuation fund to confirm that payments have been made by the due date.”*

However, while the Explanatory Memorandum goes on to note the Government's intention of also legislating further notification requirements for superannuation funds; it does not mention the second part of the payslip reporting policy announced in the Stronger Super Information Pack. That is:

*“From 1 July 2013, subject to there being no significant payroll system costs, payslip reporting of actual contributions paid rather than just accrued contributions will commence, including the provision of information about which fund the contributions are being paid into.”*

AIST's key recommendation is that the Explanatory Memorandum be amended to note forthcoming Regulations to require the reporting of *actual* contributions paid from 1 July 2013 (subject to there being no significant payroll costs at that time). This will make the Explanatory Memorandum consistent with the Government's policy announcement of September 2011 in the Stronger Super information pack.

As payroll technologies develop, there may be the opportunity to further extend payslip reporting requirements, and the Explanatory Memorandum should be further amended to note that regulations may also prescribe further and increased information requirements, as software is developed.

## 2.2 Functions of Fair Work Ombudsman

The functions of the Fair Work Ombudsman should be extended to include reporting on compliance with the proposed section 336JA.

## 2.3 Regulation impact

The impact should note that both the information required from (a) 1 July 2012 and (b) 1 July 2013 will require some modification of existing payroll software, and both stages of implementation should be subject to post-implementation review.