

## EXPLANATORY MEMORANDUM

*Minute No. of 2012 - Minister for Financial Services and Superannuation*

Subject - *Superannuation Industry (Supervision) Act 1993*  
*Superannuation Industry (Supervision) Amendment Regulation 2012*  
*(No. )*

Subsection 34K(3) of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) provides, in part, that the Governor-General may make regulations prescribing superannuation data and payment matters required or permitted by the SIS Act to be prescribed, or necessary or convenient to be prescribed, for carrying out or giving effect to the superannuation data and payment standards.

### *Amendments*

These regulations will provide additional detail on the key transactional requirements of the data and payment standards as they apply to rollovers and contributions, the use of services that support the engagement of superannuation funds and employers with the standards and introduce performance standards for the processing of rollovers and contributions that occur in accordance with the superannuation data and payment standards.

Details of the proposed amendments to the SIS Regulations are set out in [Attachment A](#).

The SIS Act and the RSA Act specify no conditions that need to be satisfied before the power to make the proposed Regulation may be exercised.

The proposed Regulations would be legislative instruments for the purposes of the *Legislative Instruments Act 2003*.

The proposed Regulations would commence on the day after they are registered on the Federal Register of Legislative Instruments.

The Minute recommends that the Regulation be made in the form proposed.

Authority: Subsection 353(1) of the  
*Superannuation Industry (Supervision) Act 1993*

Subsection 200(1) of the  
*Retirement Savings Accounts Act 1997*

## **Attachment A**

### **Details of the *Superannuation Industry (Supervision) Amendment Regulation 2012 (No. )***

Regulations for Retirement Savings Account providers are under development. You will note throughout the Rollover regulations mention is made to RSA regulations without a corresponding number. These numbers will be inserted when the RSA regulations are completed.

#### **3B.02 Prescribed eligible superannuation entity for register**

1. To ensure effective electronic business to business exchange of data and electronic funds transfer in superannuation, the Commissioner of Taxation (the Commissioner) will keep a central register containing accurate information about certain superannuation entities.
2. The information to be contained includes a unique superannuation identifier, bank details, and an internet protocol address. This will allow other superannuation entities and employers to send superannuation payments and information associated with those payments to the correct destination with a high degree of accuracy ensuring an efficient system.
3. Entities that are prescribed eligible superannuation entities for the purpose of this Part are regulated funds (other than self-managed superannuation funds) and approved deposit funds.
4. For the first iteration of the register, self-managed superannuation funds (SMSFs) will not be required to provide this information to the Commissioner. The Commissioner will be providing an SMSF Fund Details Validation Service during the 2014-15 financial year which will contain “verified” information about SMSFs. Until this service is available, SMSFs will not be required to provide this information for its publication on the register as it will be “unverified”.

#### **3B.03 Information to be given for the register**

5. As mentioned above, the Commissioner will keep a central register containing information including a unique superannuation identifier, bank details, and an Internet Protocol address.
6. The trustee of a prescribed eligible superannuation entity must give to the Commissioner at least one unique superannuation identifier for the entity. This unique superannuation identifier will dictate the end destination point of the information being sent about a contribution or a rollover.
7. A unique superannuation identifier means either an entity’s Australian Business Number (ABN) followed by a three digit number prescribed by the entity who must ensure it is unique, or another kind of unique identifier approved by the Commissioner. It is intended that a unique identifier allocated by a commercial provider of unique superannuation identifier’s will be approved by the Commissioner.

8. For each unique superannuation identifier, a trustee must provide bank details and an Internet Protocol address. This will ensure that the central register is complete.
9. Bank details are details sufficient to enable an electronic payment to be made. This may include BPay or direct credit details.
10. Allowing the Commissioner to approve other such digital addresses allows for flexibility to cater for future services to be included without the need for regulatory change.
11. A superannuation entity may choose to have one or many unique superannuation identifiers. For example, one entity may choose to have a unique superannuation identifier for each superannuation product they have. Another entity may choose to have only one unique superannuation identifier for all superannuation products they have.
12. This is entirely a matter for the superannuation entity to resolve, and what administrative structure will result in the most efficient operation for their business.
13. The trustee must tell the Commissioner when the information is to be operative for the entity. This will allow users of the service (including other superannuation entities, Retirement Savings Account providers and employers) to be aware of when the information becomes effective, as the information is being provided to the Commissioner prior to the information being operational. Users of the service are outlined in Section 34Y of the Superannuation Laws Amendment (Capital Gains Relief and Other Efficiency Measures) Bill 2012 introduced into Parliament on 19 September 2012.
14. The operative date must be the later of 1 July 2013 or the date on which the entity first receives a contribution or a rollover. This is intended to ensure that existing entities will have an operative date of 1 July 2013 coinciding with the commencement of Schedule 2 to these regulations, and entities that come into existence in the future will have an operative date of when they will first receive contributions or rollovers. It is important for all users of the service to be aware of when the information becomes effective.
15. If an entity is receiving contributions or rollover on the commencement of this Part and the entity expects to continue to receive contributions and rollovers on or after 1 July 2013, the trustee must give the information to the Commissioner by the later of 1 April 2013 and 20 business days after the commencement of this Part. This means that entities in operation on the commencement of this Part, but will merge, close or wind-up prior to 1 July 2013 are not required to provide this information to the Commissioner.
16. If the entity is not receiving contributions or rollovers on the commencement of this Part, the trustee must give the information to the Commissioner by the later of 1 April 2013, and 10 business days before the day on which the fund first receives a contribution or rollover superannuation benefit.
17. When making any changes to the information on the register, the trustee must make the changes no later than 10 business days before the new information becomes operative. This is important to give users of the service a chance to

change their information technology systems. This is intended to include removing information as a result of a wind-up or merge.

### **6.32 Superannuation data and payment matters**

18. Regulations for rollovers will now be made under powers from subsection 34K(1) of the *Superannuation Industry (Supervision) Act 1993* (SIS Act).
19. This results in the penalty framework also stemming from Part 3B of the SIS Act.
20. The regulations have the following broad structure:
  - Rollover : initiate, conduct checks, complete
  - Contribution: receive, allocate

### **6.33 Request for rollover or transfer of withdrawal benefit**

21. A member may request, in writing, to transfer or rollover a whole or part of their superannuation.
22. In writing holds a broad meaning. It covers being initiated through a letter, a paper form or an online web form provided by the fund or the Commissioner.
23. For a rollover not involving a rollover to an SMSF, a member may initiate the rollover or transfer to the transferring fund (the fund that has the member's account and is being asked to transfer it) or the receiving fund (the fund who will receive the member's account as a result of the rollover or transfer).
24. The member can use the Schedule 2A form which has been modified to reflect the streamlined proof of identity process for a member who is essentially rolling their money in between superannuation funds regulated by the Australian Prudential Regulatory Authority (APRA).
25. For a rollover to an SMSF, a member must initiate the rollover or transfer to the transferring fund.
26. The member can use the Schedule 2B form which has been developed specifically to cater for rollovers to SMSFs and does require proof of identity information.
27. It is recommended that members complete the Schedule 2A or 2B form to allow trustees to roll over or transfer whole balance amounts as efficiently as possible. Members should note that the Commissioner provides an online service for members to initiate a whole of balance transfer with the transferring fund which significantly simplifies the rollover process.
28. For a rollover or transfer of part of a superannuation account, the member should contact the transferring fund to find out what additional information is required and provide this information when initiating a rollover.

#### **6.33A Request made to receiving fund**

29. If a member initiates a roll over or transfer of superannuation benefit to their receiving fund (the fund who will receive the member's account as a result of the rollover or transfer), and the member has provided all mandatory information as required in the Schedule 2A form (whether or not the request was made using the form), the receiving fund must initiate the rollover request

electronically to the transferring fund in accordance with the Rollover Message Implementation Guide and other relevant superannuation data and payment standards which have been developed and are maintained by the Commissioner.

30. The detailed requirements for the superannuation data and payment standards are contained within a legislative instrument (and associated schedules) that specify the standard terms and format that will apply to the identified transaction, the payment standards, the messaging and security protocols that apply to the sending and receipting of the message amongst other requirements.
31. The trustee of the receiving fund must tell transferring fund about the request and give the following details to the transferring fund:
  - the member’s full name
  - the member’s date of birth
  - the member’s sex
  - the member’s postal address
  - the member’s telephone contact number
  - member’s membership number, or account number with the transferring fund
  - the receiving fund’s name and ABN
  - the receiving fund’s unique superannuation identifier for the rollover or transfer
  - the transferring fund’s name and ABN
  - the transferring fund’s unique superannuation identifier for the rollover or transfer
32. The trustee of the receiving fund must also tell the transferring fund whether the request is for a whole or a part of the member’s account.
33. For a partial rollover or transfer of a member’s account, the amount to be rolled over or transferred.
34. The trustee of the receiving fund must also pass on the member’s tax file number to the transferring fund where it has been given to them.
35. It is intended that existing Regulation 6.50 will not apply to the disclosure of TFN under subregulation (4) of 6.33A. Regulation 6.50 sets out the ways in which a fund must determine whether amounts held for the member in other funds. In the context of 6.33A, the receiving fund already knows that amounts are held for the member in the transferring fund, whereas, regulation 6.50 applies where the fund wishes to determine if there are other amounts held elsewhere for the member.
36. Prior to initiating a rollover to the transferring fund, the receiving fund must be satisfied that the member is aware that they may ask the trustee of the

transferring fund for information about fees and charges that may apply to the rollover and other information about the effect of the rollover on any benefit entitlements and that they do not require such information.

37. The receiving fund can satisfy itself of this by asking the member to declare this as part of initiating a rollover. This is contained in the Schedule 2A form.

#### **6.33B Transferring fund must electronically receive request**

38. A transferring fund must be able to electronically receive a rollover initiated in accordance with the standards for a rollover or transfer made under section 34(K)(3) sent by a receiving fund, RSA provider, a member, or the Commissioner on behalf of a member.
39. This gives flexibility to a member in terms of how they initiate a rollover or transfer to the transferring fund. If the rollover or transfer is initiated in accordance with the standards mentioned in the paragraph above, this must be received.
40. A transferring fund must be able to receive an “electronic portability form” when a member initiates the rollover process through an online service provided by the Commissioner of Taxation.
41. RSA regulations are under development, and the appropriate references will be included when these are completed.

#### **6.33C Trustee may request information or documentation in certain circumstances**

42. Upon receipt of a request to roll over or transfer a member’s superannuation, the trustee of a transferring fund may ask for information or documentation in very limited circumstances.
43. For a whole of balance roll over or transfer to a SMSF, a trustee may ask for information that is mandatory in the Schedule 2B if it is not provided by the member.
44. The trustee may only ask for information that is mandatory in the Schedule 2B.
45. For all other whole of balance roll overs or transfers, a trustee may ask for information that is mandatory in the Schedule 2A if it is not provided by the member.
46. The trustee may only ask for information that is mandatory in the Schedule 2A.
47. The trustee must ask the member for the information within 5 business days of receiving the request, noting that the trustee may roll over or transfer the amount despite not having received all of the mandatory information.
48. If the trustee does not receive the information within 10 business days of making the request for information, the trustee must make reasonable further inquiries of the member to obtain the information. For example, a follow-up phone call.
49. For a rollover that is part of a member’s account, a trustee may ask the member for information that is necessary to process the request. For example, the balance to be transferred.

50. The trustee must ask the member for the information within 5 business days of receiving the request.
51. If the trustee does not receive the information within 10 business days of making the request for information, the trustee must make reasonable further inquiries of the member to obtain the information. For example, a follow-up phone call.
52. It should be noted that a trustee can roll over or transfer the amount without all of the information mandated in the form.

### **6.33D Validation of member's details by transferring fund – general**

53. For rollovers and transfers within the APRA regulated environment, the proof of identity process has been streamlined. The Commissioner is providing a tax file number validation service for trustees to use to validate information about a member including their tax file number, name, date of birth and address with records held by the Commissioner.
54. When a trustee of a transferring fund receives a request to roll over whole or part of a member's account, the transferring fund must ask the Commissioner for a notice of validation under section 299TD (2) of the Superannuation Laws Amendment (Capital Gains Tax Relief and Other Efficiency Measures) Bill 2012 introduced into Parliament on 19 September 2012 if the trustee has the member's tax file number unless:
  - the request is to a SMSF; or
  - the request was given to the trustee by the Commissioner
55. Rollovers to a SMSF have proof of identity requirements contained within the Schedule 2B.
56. Requests given to the trustee by the Commissioner will already have been validated by the Commissioner so the trustee is not required to do this again.
57. If the Commissioner has previously given the trustee a notice of validation, the trustee is not required to ask the Commissioner again.
58. If the Commissioner gives the trustee a notice that the Commissioner is not able to validate the information, the trustee may ask the member for any mandatory information on the Schedule 2B form (usually used for rollovers to a SMSF) that the trustee reasonably requires to process the request.
59. The trustee must ask for the information within 5 business days of receiving the notice from the Commissioner.
60. If the trustee does not receive the information requested from the member within 10 business days of making the request, the trustee must make reasonable further inquiries of the member to obtain the information.

### **6.33E Verification of member's details – transfer to self-managed superannuation fund**

61. This regulation applies to a trustee of a transferring fund if the transferring fund receives a request to rollover whole or part of a member's account to an SMSF.

62. A trustee of a transferring fund must use an electronic service provided by the Commissioner to verify the ABN and name of the SMSF, and that the SMSF is a regulated superannuation fund and that the member is a member of the SMSF when the SMSF has an ABN.
63. When the SMSF does not have an ABN, the trustee must ask the member for written evidence to verify the name of the SMSF, that the SMSF is a regulated superannuation fund and that the member is a member of the SMSF.

#### **6.34 Rollover or transfer of withdrawal benefit**

64. The trustee of the transferring fund must rollover or transfer the amount in accordance with the request to rollover subject to regulations 6.35 – 6.38 if:
  - the trustee receives a request to rollover whole or part of a member’s account; and
  - for whole account roll-overs to an SMSF, the trustee receives all mandatory information in Schedule 2B;
  - for whole account roll-overs not involving an SMSF, the trustee receives all mandatory information in Schedule 2A;
  - for part account rollovers, the trustee receives the information required by the form in Schedule 2A or 2B and any other information that is reasonably required;
  - for account roll-overs not involving an SMSF and the trustee received a notice from the Commissioner unable to validate the information about the member, the trustee has received sufficient information to reasonably enable the roll-over or transfer.
65. The trustee may roll over or transfer the amount without all of the information mentioned in the above paragraph.
66. When actioning the roll over or transfer, the trustee must assign a unique payment reference number to the roll over or transfer information message and include the same unique payment reference number in the roll over or transfer payment.
67. The unique payment reference number must be either: the transferring funds ABN, followed by the day and month of the rollover or transfer (expressed as DDMM) followed by a 3 digit sequence number; or an 18 digit sequence number.
68. The transferring fund must roll over or transfer the member’s withdrawal benefit in accordance with the Rollover Message Implementation Guide and other relevant superannuation data and payment regulations and standards which are developed and maintained by the Commissioner.
69. Prior to the rollover transaction, the trustee of a transferring fund must be satisfied that the member is aware that they may ask for information about fees and charges that may apply to the rollover and other information about the effect of the rollover on any benefit entitlements and that they do not require such information.



70. This does not apply to a rollover or transfer that is initiated through a receiving fund, as the trustee of the receiving fund will perform this check under regulation 6.33A.
71. Subject to regulations (8) and (9) which cover illiquid investments, the trustee must roll over or transfer the amount as soon as practicable, but in any case not later than 3 business days after:
  - the trustee received the request with all the necessary information; or
  - if there is a suspension or variation under regulation 6.36 or 6.37 – the end of the period of the suspension or variation.
72. For an investment made before 1 July 2007, the existing illiquid investment provisions have been maintained.
73. If on or after 1 July 2007, a member makes an investment choice under regulation 4.02, the trustee is not required to rollover or transfer the amount within 3 days if the rollover or transfer is made as soon as practicable, and no later than 30 days after:
  - the trustee received the request with the required information; or
  - if there is a suspension or variation under regulation 6.36 or 6.37 – the end of the period of the suspension or variation.
74. For an investment choice made before 1 July 2013, but after 1 July 2007, where the investment strategy chosen is an illiquid investment, the trustee is not required to make the rollover within 3 days where:
  - the trustee has informed the member of the requirement to make a transfer within 30 days; and
  - the trustee has informed the member the reasons why the investment is illiquid; and
  - the trustee has obtained written consent that the member accepts that a period longer than 30 days is required because of the illiquid nature of the investment.
75. For an investment choice made on or after 1 July 2013, where the investment strategy chosen is an illiquid investment, the trustee is not required to make the rollover within 3 days where:
  - the trustee has informed the member of the requirement to make a transfer within 30 days for an investment choice; and
  - the trustee has informed the member of the reasons why the investment is illiquid; and
  - the trustee has obtained written consent that the member accepts that a period longer than 30 days is required because of the illiquid nature of the investment.

76. It would be considered best practice to rollover or transfer in more than one transaction to ensure that only the illiquid investment is rolled over or transferred outside the 3 day period.

**6.34A Member details for rollover or transfer**

77. The trustee of a transferring fund must give to the receiving fund, the member's full name, date of birth, gender and postal address. The trustee of the transferring fund must also include a unique payment reference number which is also included in the payment.
78. Section 299M of the SIS Act requires a trustee to provide a tax file number unless the member has written to the trustee requesting their tax file number be provided.
79. The trustee of the transferring fund is not required to provide this information if the member has not given them this information.
80. The trustee must give the information to the trustee of the receiving fund on the same day as the trustee makes the roll over or transfer. It is intended that the trustee send the information and the payment on the same day.
81. When actioning the rollover or transfer, the trustee of the transferring fund must action the roll over or transfer in accordance with the Rollover Message Implementation Guide and other relevant superannuation data and payment regulations and standards which are developed and maintained by the Commissioner.

**6.34B Receiving fund must electronically receive information from transferring fund**

82. A trustee must be able to receive in relation to a rollover or transfer, information and payments made in accordance with the standards made under section 34(K) of the Act.

**6.34C Receiving fund must allocate amount to member**

83. Roll-overs and transfers that are sent in accordance with the standards made under subsection 34K(3) must be allocated quickly to a member's account.
84. If the trustee of a receiving fund receives a rollover or transfer from a regulated superannuation fund, an approved deposit fund or an RSA provider and the rollover or transfer was accompanied by the required information and provided in accordance with the applicable standards.
85. The roll over must be allocated to the member as soon as possible, but in any case no longer than the 3 business days after the receiving fund has received both:
- the payment; and
  - the information.
86. The electronic portability form regulations outlined in Part 6A currently stipulate that the Commissioner may decline to give a request that cannot be

received electronically by the trustee. Now that all rollovers will be conducted electronically, trustees must be able to receive this.

## **Subdivision 7.2.1 Superannuation data and payment matters**

### **7.07 Superannuation data and payment matters**

87. Section 34K(1) of SISA provides the power for regulations to be made relating to the superannuation data and payment standards and that apply to trustees of eligible superannuation entities and employers in their dealings with eligible superannuation entities.

#### **7.07AA Application**

88. The Governor General has the authority to make this regulation as outlined by subsection 20(6) of the SIS Act.
89. The regulations contained within this subdivision will apply to large and medium employers from 1 July 2014 and to small employers from 1 July 2015.

#### **7.07A Initial registration of employee**

90. Regulation 7.07A sets out the employee information that is required to be provided by the employer to the superannuation fund (other than self-managed superannuation funds or a fund chosen by the employee) to facilitate the establishment of the member account by the fund.
91. The accuracy of employee information provided by the employer is critical to the quality of data relating to an employee/member that is entered into the superannuation system. Higher quality employee information will lead to faster allocation of contributions to the member account, reduce re-work between funds and employers and significantly reduce the occurrence of lost super accounts.
92. Upon the initial registration or at the time of the first contribution (whichever event occurs first), the employer must provide to the superannuation fund employee information including – employee full name, employee date of birth, employee tax file number, employee gender and employee address.
93. The employer will not be required to provide the employee information to the fund if this information has not been provided by the employee.
94. The employee is not required to provide this information to a self-managed superannuation fund or if the employee chooses their own fund. This is because in both these instances, the employee will be required to provide the employer with the necessary information confirming that they are members of the nominated superannuation fund.
95. The employer will be required to provide the required employee information in the form set out by the superannuation data and payment standards. The detailed requirements for the superannuation data and payment standards are

contained within a legislative instrument (and associated schedules) that specify the standard terms and format that will apply to the identified transaction, the payment standards, the messaging and security protocols that apply to the sending and receipting of the message amongst other requirements.

#### **7.07B Validation of initial registration information**

96. Regulation 7.07B enables trustees of funds (other than self-managed superannuation funds) to validate employee information, through a service provided by the Commissioner of Taxation, provided by an employer prior to the establishment of the member account.
97. A trustee of a regulated superannuation funds (other than a self-managed superannuation fund) is required to validate the full name, tax file number and date of birth that is provided by the employer.
98. If the information has been provided by the employer to the superannuation fund in accordance with the superannuation data and payment standards, the fund must within 3 business days of receiving the information, validate the information provided for the member through an electronic service provided by the Commissioner of Taxation.
99. Section 299TD of SIS Act (*Validation notice – beneficiaries of eligible superannuation entities*), enables the Commissioner to issue a notice to the trustee that states whether the employee details have been able to be validated.

#### **7.07C Invalid initial registration information**

100. Regulation 7.07C sets out the process that will be followed by trustees if the employee information provided by the employer at the time of the initial registration cannot be validated by the Commissioner of Taxation as well as for employers who receive a request to provide complete or correct employee information to the trustee.
101. In the event that a trustee of regulated superannuation fund (other than a self-managed superannuation fund) receives a notice (issued under section 299TD of SIS Act) from the Commissioner that states the information for the member has not been able to be validated, the trustee must within 5 business days of receiving the Commissioner's notice contact the employer requesting that the employee information provide be confirmed.
102. Within 5 business days of receiving a request from a trustee, an employer must make all reasonable efforts to provide the trustee with complete or corrected employee information for the following – full name, tax file number, date of birth, address.
103. Some types of employers, for example those with a fly-in, fly-out or itinerant workforce, may be unable to provide a trustee with the required information within 5 business days. In these circumstances, the employer should within 5 business days, advise the superannuation fund when the required information can be provided.

#### **7.07D Employee details for contribution**

104. Regulation 7.07D outlines the information that an employer must give to a fund that relates to a contribution. The information provided by the employer includes employee information to enable the fund to identify the member the contribution has been made for, as well as a payment reference number to link the contribution payment to the contribution information
105. When an employer makes a contribution for an employee to a fund, the employer must provide information to the fund that identifies the employee the contribution relates to (full name, tax file number, address). The information is to be given to the fund on the same day the employer makes the contribution payment to the fund.
106. The employer is not required to provide this information to the fund if this information has not been provided by the employee or the fund is a self-managed superannuation fund and the employer is a related party of the fund.
107. The employer must assign and include a unique payment reference number to the contribution and include this unique payment reference number in the information provided to the fund. The unique payment reference number is used to link the contribution payment to the contribution information.
108. The unique payment reference number is to be created by using either:
  - the employer’s ABN, followed by the day and month of the contribution (DDMM) and followed by a 3 digit sequence, or
  - an 18 digit sequence number.
109. The employer will be required to provide the required information in the format set out by the superannuation data and payment standards. The detailed requirements for the superannuation data and payment standards are contained within a legislative instrument (and associated schedules) that specify the standard terms and format that will apply to the identified transaction, the payment standards, the messaging and security protocols that apply to the sending and receipting of the message amongst other requirements.

#### **7.07E Superannuation fund must electronically receive contributions and information**

110. Regulation 7.07E states that a trustee of a superannuation fund must be able to receive a contribution and information related to a contribution that is sent by an employer in accordance with the applicable superannuation data and payment standards, electronically.

#### **7.07F Incomplete contribution information**

111. Regulation 7.07F sets out the process that a trustee follows if the employee information relating to a contribution contains the employee’s full name (but is otherwise incomplete) and the process for employers who receive a request to provide complete or correct employee information to the trustee. This regulation also sets out the process to be followed if the employee information relating to a contribution does not contain the employee’s full name and the

requirement to refund a contribution to the employer if the employee identity is unknown.

112. If a trustee of a superannuation fund (other than a self-managed superannuation fund) receives a contribution payment from an employer for a member of the fund and the information that is provided with the contribution payment contains the employee's full name (but the remaining information is incomplete), the trustee must within 5 business days ask the employer to correct and complete information relating to the contribution.
113. An employer that receives a request from the trustee to correct or complete employee information relating to a contribution, must make all reasonable efforts to give this information to the trustee within 5 business days.
114. If, however, the trustee receives a contribution payment from an employer for a member of the fund and the employee information associated with the contribution payment is received but does not include the employee's full name, the trustee must refund the contribution payment to the employer within 10 business days after receiving the contribution.
115. The requirement to refund the contribution payment after 10 business days will provide a sufficient period of time for the receipt of a message (that contains employee information related to the contribution) that has been delayed in transmission as well as providing an opportunity for employers to resubmit the employee information related to the contribution.
116. If a contribution payment is refunded to the employer, as no associated employee information has been provided to the trustee, the contribution is taken to have not been made to the fund by the employer. The employer's superannuation guarantee obligations will not have been met in this circumstance.

**117. Example – Refund of contribution (full name of employee is not provided)**

*Zweirs Pty Ltd* sends a contribution payment of \$300 for their employee (Gary Senior) to *Decision Fund* electronically but fails to correctly complete the employee information relating to the contribution by not including the full name of the employee and other required information.

Without the inclusion of the employee's full name in the employee information sent with the contribution, *Decision Fund* is unable to identify who the contribution payment has been made for and allocate the payment.

If *Decision Fund* does not receive employee information (including the employee's full name) related to the contribution within 10 business days of receiving the contribution payment, *Decision Fund* will be required to refund the contribution payment of \$300 to *Zweirs Pty Ltd* bank account.

The refund of the \$300 contribution payment to *Zweirs Pty Ltd* means that no superannuation entitlements have been paid for Gary Senior.

**7.07G Contributions to be allocated to member (information complete and received in accordance with the superannuation data and payment standards)**

118. Regulation 7.07G outlines that a trustee (other than a self-managed superannuation fund) must allocate a contribution to the member account within 3 business days, after receiving the later of the contribution payment and the employee information associated with the contribution, if the following applies:
- the contribution is received from an employer for a member of the fund;
  - the contribution payment is received in accordance with the superannuation data and payment standards; and
  - all required employee information related to the contribution is received in accordance with the superannuation data and payment standards.
119. If the trustee receives a contribution from the Commissioner of Taxation for a member, the contribution must be allocated to the member account within 3 business days after receiving the later of the contribution payment and the employee information associated with the contribution.
120. Contributions that are required to be allocated in accordance with regulation 292-170.03 of the *Income Tax Assessment Regulations 1997* (notional contributions) are not required to be allocated in accordance with this standard.

**7.08 Contributions to be allocated to members (information not complete or received in accordance with the superannuation data and payment standards)**

121. Regulation 7.08 states that a trustee must allocate a contribution to the member account within 28 days of the end of the month, or a reasonable period beyond this date, if the employer contribution is not received in accordance with the superannuation data and payment standards or does not include complete employee information.
122. Unless the trustee receives complete employee information relating to the contribution and this information and the contribution payment is received in accordance with the superannuation data and payment standards, it is not practical to have trustees allocate the contribution to the member account within 3 business days.

**Subdivision 7.2.2 Operating standards**

**7.07 H Application**

123. Regulation 7.07 ‘Superannuation data and payment matters’ and regulation 7.08 ‘Contributions to be allocated to members’ will apply to trustees of superannuation funds from 1 July 2013.
124. Regulation 7.07 ‘Superannuation data and payment matters’ and regulation 7.08 ‘Contributions to be allocated to members’ will apply to large and medium employers from 1 July 2014.
125. Regulation 7.07 ‘Superannuation data and payment matters’ and regulation 7.08 ‘Contributions to be allocated to members’ will apply to small employers from 1 July 2015.

