

## Fact Sheet

### Superannuation Update

**November 2021**

From 1 November 2021 Employer obligations around Superannuation Funds have changed.

As part of the Australian Governments Your Future Your Super Reforms, businesses now have new requirements around employees Superannuation Fund.

#### **What is new for Employers?**

When onboarding a new employee that does not provide a nominated preferred Superannuation Fund, Employers must follow a new process to comply with their ATO obligations.

#### **What does an Employer need to do?**

1. Contact the ATO to determine if the Employee has an existing Superannuation Fund linked (stapled) to them. The ATO will confirm one of the following:
  - a. The Employee does have a fund stapled to them already; *or*
  - b. The Employee does not have a fund stapled to them.
2. If the Employee does have a stapled fund, the Employer must make contributions to this fund.
3. If the Employee does not have a stapled fund, the Employer will make contributions to the Employers default Superannuation Fund.

The above process also applies for Contactors.

Employers do not have to follow the above steps if the Employee provides the details of a Superannuation Fund.

#### **What is a Stapled Superannuation Fund?**

A stapled Superannuation Fund is an existing Superannuation account linked, or 'stapled', to an individual employee. The stapled fund follows an employee as they change jobs.

The purpose of this is to reduce account fees, avoiding new superannuation accounts being opened every time an Employee starts a new job.

#### **How will the process be managed?**

This process will be managed through the Employers online ATO account.

If an Employer does not meet their Choice of Super Fund obligations, penalties may apply.