Your Future, Your Super

Super Stapling – What Employers Need to Know and How to Prepare

To prevent the creation of unnecessary superannuation accounts, the Australian government has introduced a system as part of new 'Your Future, Your Super' legislation, whereby super accounts will now be 'stapled' to members. This means that employees will keep their existing super fund (if they have one) when they change jobs unless they choose a super fund themselves.

This change will come into effect from 1 November 2021. Below are some changes to superannuation that will affect employers, and some steps you can take to remain compliant with these new obligations.

- Employers still use the same superannuation standard choice form for new employees, which includes the sections where:
  - Employers must record the date the choice is made
  - Employers must record the date the choice is enacted
- The superannuation standard choice form is in the process of being updated to reflect super stapling changes. Once the new form has been released, ELMO will advise existing customers.
- If the employee nominates a super fund on the form, including nominating the employer default fund, there is no requirement to contact the Australian Taxation Office (ATO) for the stapled fund. The employee has made a choice.
- If no choice is made, the employer must contact the ATO to obtain details of the stapled fund account (SFA).
- To request the employee's staple fund, the employee must first have a relationship with the ATO, i.e. their employer must have submitted the first single touch payroll (STP) pay event with the employee's tax file number (TFN) details.
- If the employee already has an existing super fund, and does not nominate any super fund in the superannuation standard choice form, a new account can only be created with the employer's default fund once it is confirmed by the ATO that it cannot identify a stapled fund for the employee.

For customers using ELMO Onboarding, employees must fill out the superannuation standard choice form as part of the process. This may not be mandatory in other systems.

Employers should remind employees on a regular basis that this information is required from them – particularly if any existing software solutions do not proactively issue prompts to this effect – prior to making any contribution payments.

Super stapling: A simple checklist

No.	Item	Does it apply?	Done
1	To make sure you're ready to request stapled super fund details, check and update the access levels of your authorised representatives within ATO online services.	Yes	
2	Offer your new employees a choice of super fund and pay their super into the account they nominate.	Yes	
3	If your new employee doesn't choose a super fund, you may need to log into ATO online services to request their stapled super fund details. A tax practitioner can also do this for you. You should receive the response on-screen within minutes.	Yes/No	
4	If the ATO provides a stapled super fund result for your employee, super guarantee contributions are to be paid into that fund.	Yes/No	
5	If the ATO advise you that the employee doesn't have a stapled super fund, you may pay super guarantee contributions for that employee into your default fund.	Yes/No	

For more detailed information, including what to do in circumstances where the stapled fund rejects contributions, visit the ATO's dedicated webpage: Request stapled super fund details for employees.

How ELMO can help

ELMO Software (ASX:ELO) is a cloud-based solution that helps thousands of organisations across Australia, New Zealand and the United Kingdom to effectively manage their people, process and pay. ELMO solutions span the entire employee lifecycle from 'hire to retire'. They can be used together or stand-alone, and are configurable according to an organisation's unique processes and workflows. Automate and streamline your operations to reduce costs, increase efficiency and bolster productivity.

Get in touch to find out more!

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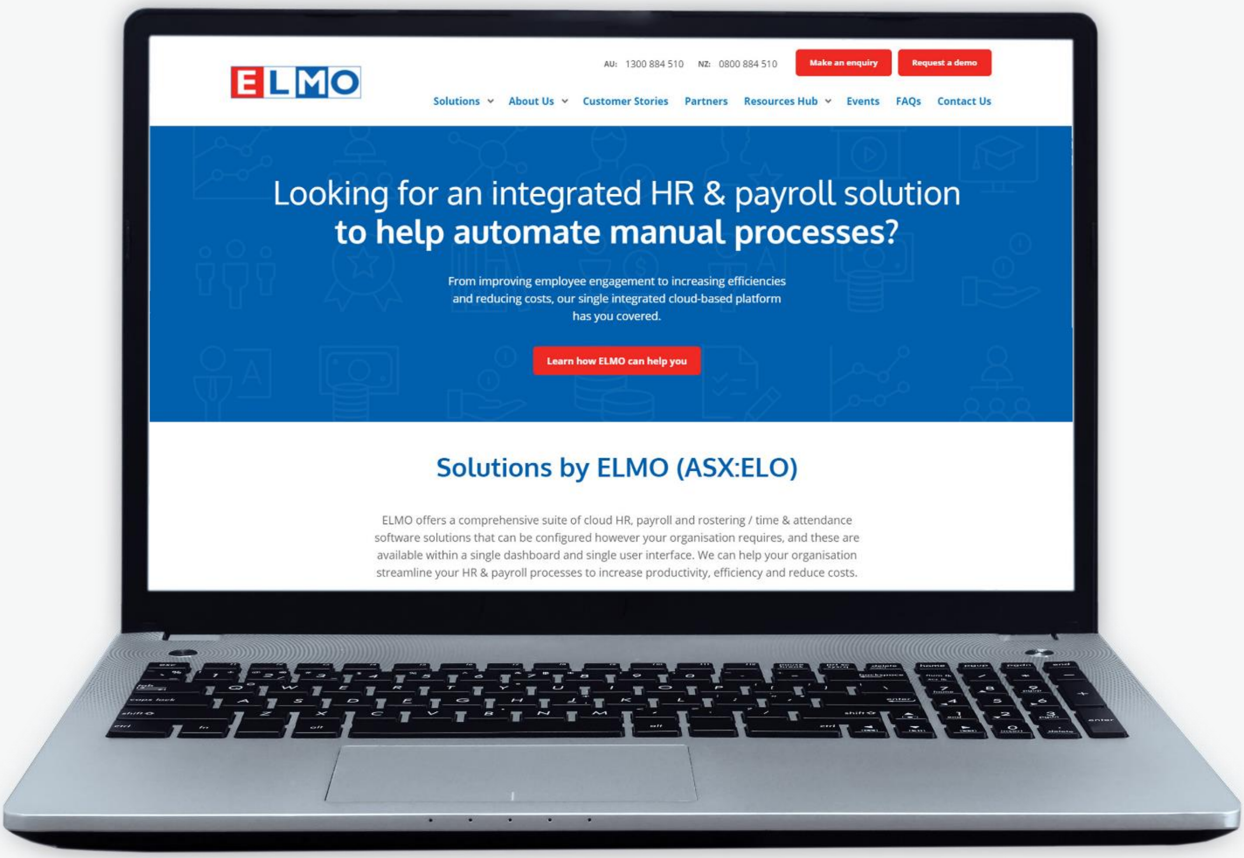

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