SuperStream question and answers

Important:
The below have been designed to provide you with a better understanding of the SuperStream reforms and clarify how the changes will affect your business. This information is current as at the date of preparation, 11 September 2013 and contains general information only. We encourage you to ask specific questions, so please speak to your IOOF relationship manager if you require any further assistance.

What is SuperStream?
The Government commissioned the Super System Review (also known as the Cooper Review) in 2009 to make recommendations to ensure the superannuation system was still operating for the best interests of members.

As a result of this review, the Government has set out a number of reforms under the heading ‘Stronger Super’. Stronger Super’s aim is to deliver a stronger and more efficient superannuation system and to assist in maximising retirement income for members.

The key elements of the Stronger Super reforms are:

- **SuperStream** – making the back office process of everyday transactions easier, cheaper and faster.
- **MySuper** – the introduction of a new simple, cost-effective default superannuation product.
- **Governance** – clearer duties for directors of superannuation trustee boards and other measures to improve the governance and integrity of the superannuation system.
- **SMSF** – improved integrity and increased community confidence in the self-managed superannuation fund sector.

What are the components to SuperStream?
The key areas of the SuperStream package of reforms are:

- **Mandatory online data standards** – Contributions from employers will need to be made electronically to improve efficiency, data accuracy and record keeping.
- **Pay-slip reporting** – Employers will be required to provide information about super contribution payments on their employees’ payslips.
- **Electronic rollovers** – More efficient transfers of funds between providers by using tax file numbers (TFNs) to verify the identity of members.
- **Superannuation identifiers** – Promote the use of unique superannuation identifiers (USIs) and TFNs as primary account identifiers.
- **Consolidation** – Allows the consolidation of superannuation accounts.

**Mandatory online data standards**

What is this component of SuperStream about?

Employers will be required to meet new data and payment standards. It affects not only how employers make superannuation contributions to funds but also what information is provided to the super fund so payments can be processed.

How will the change affect employers?

Details have yet to be finalised, however it is proposed employers will be required to largely conduct all superannuation transactions via approved electronic fund transfer.

The changes propose an increase in the specific information employers will need to provide to super funds when making a contribution. This includes personal information about employees such as full name, tax file number (if consent is provided), gender, date of birth, address, email and telephone number. Employers will also be required to use a unique identifier for all transactions so that they can be traced. This identifier will need to be included in the data reported by the employer to the super fund when a contribution is paid.
When does it come into effect?
The legislation is intended to be effective from 1 July 2014 for large to medium size employers (those who employ 20 or more employees at that time).
For small employers (employing fewer than 20 employees) the legislation will be effective 1 July 2015.

How can employers prepare for this?
Employers should ensure their payroll system providers are expecting to be able to comply with the reporting requirements by 1 July 2014. Those who use internal payroll systems will also need to ensure that they’re on track to meet reporting requirements.

Can IOOF assist with these requirements?
Transact is a Superstream compliant, secure online administration and clearing house facility for employers to meet their superannuation obligations. It allows submission of all employee contributions in one batch, add new members, update default member details and exit members from their plan. A dedicated team is on hand to help transition businesses over to Transact. Speak to your relationship manager to find out more about Transact.

Pay slip reporting

What is this component of SuperStream about?
To improve employee awareness, employers will be required to report on payslips when superannuation contributions are expected to be made.

How will the change affect employers?
The Government is yet to specify what these requirements entail, however employers will need to ensure their payroll systems are compliant with the new regulations.

When does it come into effect?
Despite the requirement for this measure to commence from 1 July 2013, a new commencement date of 1 July 2014 has been advised by the Australian Tax Office.

How do employers prepare for this?
Employers should ensure their payroll system providers are expecting to be able to comply with the reporting requirements by 1 July 2014. Those who use internal payroll systems will also need to ensure that they’re on track to meet reporting requirements.

Electronic rollovers

What is this component of SuperStream about?
One of the advantages of the mandatory online data standards is that it enables electronic rollovers. This will allow a simpler and more efficient way to process rollovers, while improving data integrity standards.

When does it come into effect?
APRA funds must meet the compulsory requirements on a scheduled date between 1 July 2013 and 1 January 2014, although most large APRA funds will be required to comply before December 2013. Self-Managed Super Funds will have to meet the rollover standards by 1 January 2015.

How is IOOF preparing for this?
We are pleased to confirm that IOOF is now accepting electronic rollovers between APRA-regulated funds. Sending electronic rollovers between APRA-regulated funds will be rolled out across our products over the coming weeks. The current paper-based rollover process will continue to be used for rollovers between SMSFs and IOOF APRA-regulated funds until SMSFs have the required functionality to accept and send electronically.

What is the effect of this change?
Rollovers to IOOF super products from other APRA funds will be more efficient with less red tape. Most members requesting a rollover to or from an IOOF super product will not be required to provide proof of identity documentation. The exceptions are:

- Where IOOF does not hold the client’s TFN.
- Where the Australian Tax Office (ATO) cannot match the person’s details with the TFN.
- For rollovers from IOOF super platforms to SMSFs.
- Benefits paid in cash and not rolled over to APRA funds.

For most advised members, rollovers out of an IOOF super fund will be actioned within three days of the assets being sold down, no later than 30 days after the rollover request has been received.

Where do I access the new forms?
All of our forms have now been updated to accommodate electronic rollovers. The new forms can be accessed in the PDSs, Documents and Forms section of our website.
What if the other super fund doesn’t accept or send electronic rollovers?

As the industry transitions to an electronic system, some rollovers will still need to be processed using paper forms as per the current process. All APRA-regulated superannuation funds must meet the compulsory requirements by 1 January 2014. Self-Managed Super Funds will have to meet the rollover standards by 1 January 2015.

Unique superannuation identifiers

What is this component of SuperStream about?
A Unique Superannuation Identifier (USI) is used to uniquely identify a superannuation fund’s products for the purposes of electronic rollovers.

Each superannuation product may apply to have its own unique identifier. APRA regulated Superannuation Funds register their USIs with the ATO and disclose it when rolling out to another fund.

What is the effect of this change?
IOOF has updated their forms to accommodate the USI. The new forms can be accessed in the PDSs, Documents and Forms section of our website.

When does it come into effect?
All APRA-regulated superannuation funds must meet the compulsory requirements by 1 January 2014.
Self-Managed Super Funds will have to meet this requirement by 1 January 2015.

Tax file numbers as primary account identifiers

What is this component of SuperStream about?
SuperStream will promote the use of tax file numbers (TFNs) as primary account identifiers for super account searches and reporting.

What is the effect of this change?
Although TFNs will have increased usage in the super system, it is not compulsory for members to disclose their TFN for superannuation purposes. However in the future there may be changes to the reforms where super funds may not be able to accept contributions without a TFN.

If an employer receives their employee’s TFN, they must forward it to the super fund within 14 days of receiving it or when they make the first superannuation guarantee contribution on their behalf.

When does it come into effect?
A mandatory date is yet to be announced.

Consolidation

What is this component of SuperStream about?
Superannuation funds will be able to use TFNs to be able to identify members and consolidate their accounts if they have more than one account in a fund. Funds can also obtain permission from members to use the ATO database to locate lost super or inactive accounts in other funds and roll them into their active account.

What is the effect of this change?
Using a member’s TFN, we will be identifying members with multiple accounts in our products and consolidating those accounts where appropriate. At this stage this is likely to mean that accounts that are not receiving contributions and/or with low balances will be consolidated with more active accounts with larger balances. Many of these low balance and inactive accounts are already required to be transferred to the ATO.

Members will be notified if auto-consolidation is likely to apply to them and can opt-out if they are intentionally maintaining more than one account.

When does it come into effect?
The first auto-consolidations will occur between 1 January and 1 July 2014.

How is the industry preparing for this?
All super funds, including IOOF, will be required to report all accounts and balances to the ATO no later than October 2013. Therefore all information reported to the ATO by IOOF (and other super funds), and any money held by the ATO, will be accessible via the ATO’s SuperSeeker website. Members and their advisers can access this information, which can be an invaluable part of the advice process.