

SuperStream has arrived

Superstream is a government reform aimed at improving the efficiency of the superannuation system.

Under SuperStream, employers must make super contributions on behalf of their employees by submitting data and payments electronically in accordance with the SuperStream standard*.

() Broadly, the SuperStream standard specifies the minimum requirements for dealing with payments and information relating to employer contributions (and other superannuation transactions).*

All superannuation funds, including SMSF's must receive contributions electronically in accordance with this standard.

Employers with 20 or more employees

From the 1st of July 2014*, these employers should start using the SuperStream standard to send contribution data and payments electronically.

Note(*): The ATO is being flexible on the start date provided the employer is doing their best to implement SuperStream and has a firm plan to do so no later than 30 June 2015.

New transitional rules were recently introduced to allow these employers (between 1 July 2014 and 2 November 2014) to send contribution messages to a fund using an electronic file format that does not strictly conform to the SuperStream standard (e.g., via a web portal or email), provided the fund has advised it can accept the format.

Employers with 19 or fewer employees

From the 1st of July 2015*, these employers will also be required to send contributions data and payments electronically. However, some may choose to implement SuperStream sooner.

Note (*): The ATO is being flexible on this start date as well, provided the employer is doing their best to implement SuperStream and has a firm plan to do so no later than 30 June 2016.

Please note: Contributions sent to an SMSF from a related-party employer are **exempt** from SuperStream and can be made using existing processes.

Meeting SuperStream obligations

SMSF Members

SMSF members must provide their employer with:

- Their SMSF's ABN;
- Their SMSF's bank account details for receipt of contribution payments; and
- An electronic service address for receipt of a contribution data message.

If they work for an employer with 20 or more employees, they will need to update their details with their employer as soon as possible. Alternatively they can check with their employer to confirm which date best aligns with their implementation plan for SuperStream.

SMSF Trustees

All super funds (including SMSFs) must receive any employer contributions sent to their fund in accordance with the SuperStream standard.

In particular, they will need to ensure the SMSF's bank account is able to receive electronic contribution payments and that the SMSF can receive a contribution message with information about these payments in the SuperStream format.

An SMSF will need an electronic service address to be able to receive data messages associated with employer contributions sent using SuperStream.

Depending on how they manage their SMSF, trustees may choose to engage a service provider, such as an SMSF administrator or software provider, to obtain an electronic service address.

Service Providers

The list of providers can be found at <https://www.ato.gov.au/Super/SuperStream/In-detail/Contributions/SMSF-messaging-service-providers/>.

Employers

Employers have two options for meeting SuperStream; either (a) using software that conforms to SuperStream, or (b) using a service provider who can meet SuperStream on their behalf. The ATO recommends that they start investigating their options now.

Employer Checklist

1. **Choose a service provider** for making SuperStream contributions. There are a number of different solutions available, including using their existing payroll software provider, an outsourced service provider, or a clearing house.
2. **Collect superannuation fund information** from new and existing employees, including:
 - a. Unique superannuation identifier (USI) for APRA-regulated funds;
 - b. ABN for SMSF's;
 - c. Bank account details; and
 - d. Electronic service address.
3. Once the required information has been collected, the employer will need to **update their payroll records**. This will include providing the employer's selected service provider the information.

Different service providers may have different methods of collecting this information, so employers should liaise with the service provider in this regard.
4. Start **making contributions through a payment system** that allows the employer to:
 - a. Send all data electronically (such as employee details and the amount of super being paid) in a standard format*;
 - b. Make super payments electronically;
 - c. Link data and money with a unique payment reference number;
 - d. Send money and data on the same day; and
 - e. Respond to fund requests for further information within 10 business days.

Ref: ATO Website – SuperStream.

Note: The information contained is not intended to be comprehensive. The articles relate to general areas of income tax and are not specific. The articles are intended for clients of David O'Brien & Associates. Accordingly, formal advice should be sought before activity in any of these areas by contacting our office.