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AIST welcomes Government measures to tackle non-payment of super

The Australian Institute of Superannuation Trustees (AIST) has today welcomed the Government's announcement of a package of measures to protect workers' super entitlements and tackle the problem of unpaid super.

The proposed measures in draft legislation released today will dramatically improve the Australian Tax Office's ability to get real time information about an employer's compliance with their super obligations.

The measures include extending Single Touch Payroll to all employers from 1 July 2019, providing the ATO with more timely information to support earlier detection and proactive prevention of non-payment of superannuation that is owed to workers.

AIST CEO Eva Scheerlinck said the move to make Single Touch Payroll mandatory for small employers would shift the burden of monitoring superannuation compliance from individual workers to the ATO.

"Extending single touch payroll to all employers should significantly improve the integrity of the super system and help tackle Australia's 2.8 billion dollar unpaid super problem," Ms Scheerlinck said.

"We know that the problem of non-compliance is greatest among small businesses, so it is very important that the ATO has all the available tools at its disposal to closely monitor this sector."

AIST also welcomed measures to introduce court-ordered penalties, including up to 12 months imprisonment, where employers defy directions to pay their superannuation guarantee liabilities.

"Superannuation is deferred wages and, in a compulsory super system, members must receive their full entitlements. Strengthening employer penalties for noncompliance and enhancing the ATO's power to deal with repeat offenders is needed," Ms Scheerlinck said.

However, Ms Scheerlinck added that further measures were still needed to tackle the problem of unpaid and lost super.

This included aligning superannuation payment with pay slip reporting cycles, removing the \$450 monthly income threshold and the ATO developing a framework for a more holistic approach to the problem.

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AIST is the peak body for the \$700 billion profit-to-member superannuation sector which includes industry, corporate and public sector funds.

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