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New law to improve compliance with superannuation obligations among small business

The Australian Institute of Superannuation Trustees (AIST) has today welcomed the passage of legislation to help ensure small businesses comply with their legal obligation to pay superannuation for their workers.

“For too long some businesses have been able to avoid their obligations to pay super because of outmoded laws,” said **AIST CEO Eva Scheerlinck**. “Workers have suffered, while non-compliant employers have had an unfair advantage over the majority of employers who are good corporate citizens,” she said.

The new legislation – which will come into force on 1 July, 2019 - will mean that employers with less than 20 employees will have to comply with ‘real-time’ reporting of wage and superannuation information to the Australian Tax Office (ATO). Previously, real-time reporting only applied to larger employers, while small businesses were able to take as long as three months to make and report super payments.

Importantly, the new legislation will also shift the burden of identifying and collecting unpaid super from individual workers and ex-employees to the ATO. Up until now, the ATO has largely relied on employees to make complaints to alert them to the non-payment of super – at a very real risk to the jobs of the employees who do this. This measure will apply to all employers.

“We congratulate the Government on adopting and implementing this measure which is extremely important for vulnerable workers,” Ms Scheerlinck said.

Research by AIST member fund Cbus estimated a shortfall of \$3.6 billion each year in the super that employers pay. “That’s a lot of super hard-working employees are missing out on,” said Ms Scheerlinck.

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AIST is the peak body for the \$1.3 trillion profit-to-member superannuation sector which includes industry, corporate and public-sector funds.