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Superannuation Administration Group

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QC 60203

Superannuation Administration Group key messages 26 August 2026

Key topics discussed at the Superannuation Administration Group meeting 26 August 2026.

Published 23 September 2026

Payday Super

A discussion on Payday super highlighted that implementation to date has been successful, with many contributions and transactions processing as intended. Early implementation problems were concentrated in a relatively small number of exceptions rather than indicating systemic problems across the ecosystem.

Data quality

A key theme for both the ATO and Industry is the critical importance of data quality. The transition to Payday Super has introduced new

payroll and clearing house participants into the SuperStream ecosystem, exposing data issues that were previously less visible. Main issues identified included:

- incorrect dates of birth
- missing matching information
- unexpected payroll identifiers
- inconsistent use of optional data fields.

These have all affected contribution matching and processing. However, it is very pleasing to see that industry participants have worked collaboratively to improve outcomes, with matching rates and processing success improving significantly over the first 8 weeks of operation.

Transaction volumes

Despite concerns that more frequent contribution payments could overwhelm systems, early evidence suggests the ecosystem is coping well. Some providers have experienced volumes equivalent to a month's contributions arriving in a single day, yet core processing systems remained stable. This provides confidence that the infrastructure supporting Payday Super is capable of operating at significantly higher transaction frequencies.

New payments platform

While uptake has been slower than initially anticipated, some clearing houses are already leveraging the new payments platform (NPP) to deliver contributions into fund accounts within minutes of payroll being processed. There are still ongoing issues where contribution data and payment information do not travel together through the processing chain.

This creates reconciliation challenges for funds and can result in contribution payments being returned to source. This is a significant focus area for future improvement, with the ATO engaging Australian Payments Plus and banking stakeholders to improve return-to-source processes and reduce delays experienced by employers and funds.

Expanding and improving NPP adoption

The NPP has demonstrated that contributions can reach funds within minutes. However, adoption is expected to expand as more clearing houses start supporting NPP and greater employer awareness of payment options.

Hypercare

Hypercare arrangements were established following go live, with the collaborative efforts between the ATO, Gateway Network Governance Body (GNGB), funds, gateways and service providers. The hypercare process enabled rapid identification and resolution of issues, facilitated information sharing across participants and created practical workarounds where necessary. Industry participants should continue to engage with these support mechanisms.

Governance of new service providers

GNGB noted issues regarding the growing number of new payroll and service providers entering the SuperStream environment. Focus areas under active consideration are:

- ongoing governance arrangements for new participants
- health checks and monitoring
- stronger onboarding expectations
- frameworks for issue management once hypercare concludes.

Successor fund transfers

Successor fund transfers (SFT) is a major area requiring further attention under the Payday Super framework. Existing SFT processes were already complex, but more frequent contribution obligations increase the operational challenges for employers, trustees and administrators during fund transfer events. Practical and pragmatic solutions will require coordinated work across industry, the Australian Prudential Regulation Authority and the ATO, with current protocols needing review in light of Payday Super requirements.

Ongoing SuperStream standard improvements

There are no current plans for major new versions of the standard in the near term. However, we are maintaining a list of future enhancement opportunities, identifying operational pain points, and assessing whether improvements can be delivered through guidance

rather than expensive system changes. The clear message is that any future changes would need to demonstrate a strong cost-benefit case.

In summary, implementation continues with future priorities including:

- monitoring contribution patterns as more employers move to Payday Super
- strengthening governance arrangements for new service providers
- faster return-to-source processes
- improving data standards and reconciliation processes
- identifying business-as-usual enhancements that can deliver benefits without imposing major system redevelopment costs on the industry.

Better Targeted Super Concessions

Division 296 and the supporting regulations have now been formally registered. Industry consultation has consequently moved beyond policy development and into detailed administrative design. The ATO's Division 296 working group has also increased its meeting frequency. Members were reminded that working group feedback is directly influencing design decisions and remains the primary mechanism for testing implementation approaches and identifying practical industry concerns.

Request for information process

The ATO has changed the response time for fund's that are calculating there in scope members relevant super earnings under section 296-70 of the *Income Tax Assessment Act 1997* which are defined benefit funds not in retirement phase and other super interests as prescribed by the regulations. Previously these funds would get their Division 296 request for information (RFI) from November 2027 for the 2026–27 income year and would have 10 days to respond. This has changed to 28 days. The framework has been deliberately built with flexibility, allowing response periods to be adjusted and extensions to be considered, particularly during the first year of operation when funds and administrators are expected to be adapting to entirely new processes.

We are still designing how reporting of Division 296 information for funds going through an SFT will work. There is a period of time before the RFI system changes are deployed in November 2027 and we will have an interim process during this time.

Hybrid type super interests

The ATO has clarified that funds will need to determine whether separate interests exist and report them separately. The ATO indicated that Division 296 RFIs will be issued for each super interest the member has in the fund and therefore reporting frameworks must clearly identify the type of superannuation interest involved.

Family law split interests

Legislation now requires reporting of total super balance values for both the member spouse and the non-member spouse. This represents a new reporting obligation and for some funds it will mean that they will need to collect information about the non-member spouse that they don't currently have so that they can report the non-member spouse's total super balance value to the ATO.

Guidance and industry support

A substantial public advice and guidance program is underway, with planned products including:

- Taxation Ruling on Total superannuation balance which will replace *Law Companion Ruling LCR 2016/12 Superannuation reform: total superannuation balance*
- Law Companion Ruling on total superannuation balance value
- Law Companion Ruling on relevant superannuation earnings for prescribed interests
- Law Companion Ruling on relevant superannuation earnings for interests that are not prescribed interests.

Implementation timetable

Draft electronic reporting specifications for Division 296 RFIs are expected to be released for consultation in September 2026. The first RFI batch is expected to commence in November 2027 and will primarily target defined benefit interests not in retirement phase and other prescribed interests. A second phase commencing from April

2028 will cover interests that require relevant super earnings to be calculated on a fair and reasonable basis.

These staggered timeframes are intended to align with the availability of the information funds need to calculate their in-scope members relevant super earnings. RFIs are unlikely to be a simple annual event and will be generated as members are identified as Division 296 candidates through total super balance calculations.

Division 296 tax assessments

These assessments are expected to begin issuing from March 2028, which will be later than future years due to the initial system deployment timetable. Members will have 60 days from their Division 296 tax notice of assessment to elect to release superannuation to pay their liability, and funds should expect release authorities to begin flowing shortly thereafter. If liabilities remain unpaid after the legislated period, the ATO may issue default release authorities.

Division 296 tax release authorities

The ATO will develop a solution that will use a reference number when sending the release authority to the fund which will identify the release authority as a Division 296 release authority and when funds respond they will repeat the reference number back to the ATO.

Division 296 tax deferred debt process

The ATO has not yet codesigned with the working group the deferred debt process. At present we can confirm the Division 296 deferred debt account creation letter that is sent to funds will be sent digitally via Online services for business. The end benefit notice reporting by funds will be digital for Division 296 via Online services for business and we are improving the Division 293 process by making this digital as well.

The debt account discharge liability release authority statement for Division 296 will be sent digitally to the ATO by the fund, via Online services for business, improving the Division 293 process by making this digital for Division 293.

Survivors law bill update

The Surviving Victims' Access to Offender Superannuation reforms project has moved into the design phase. Members who previously nominated to participate in the working group will shortly receive placeholder invitations and further engagement materials ahead of consultation activities.

The first industry consultation session is expected to be held in September 2026, providing stakeholders with an opportunity to contribute to the development of the framework and implementation approach. The project team also encouraged broader industry participation, noting that organisations or individuals who were unable to submit an expression of interest earlier are still welcome to join the working group.

Lost and unclaimed superannuation – working group – data quality

As at 30 June 2026, the ATO reported:

- a combined $21.2 billion in lost and ATO-held superannuation
- comprising 356,000 lost accounts valued at $14.7 billion
- almost 7.3 million ATO-held accounts valued at $6.6 billion
- including more than $6.4 billion in unclaimed superannuation money.

The value of both lost and ATO-held super has continued to rise, with lost super increasing by almost $2 billion over the previous year and nearly $2.9 billion over 2 years, highlighting the scale of disengaged member balances across the system.

Ongoing efforts to reconnect members with their superannuation, include proactive reunification activities, publication of lost and ATO-held super statistics, and member education campaigns. During the 2026 financial year, the ATO facilitated the return of more than $1.1 billion in unclaimed super through rollovers to active superannuation accounts or direct payments to eligible individuals.

We continue to promote our annual Super Health Check, encouraging members to:

- update contact details
- review balances and employer contributions

- search for lost and unclaimed super
- consider account consolidation
- review beneficiary nominations.

To reduce future growth in unclaimed super, we recently piloted a targeted campaign aimed at lost members aged 56 and over with higher account balances. This cohort is considered at increased risk of eventually becoming unclaimed super money (USM). The campaign sought to encourage members to re-engage with their super fund, maintain current contact details, and avoid the transfer of accounts to the ATO upon reaching the legislative USM thresholds.

The pilot highlighted that some members ignored communications from their super fund because they believed their super was already safe and required no further action, while others continued receiving fund correspondence but did not realise engagement was necessary to avoid lost or unclaimed status. Industry participants noted these insights could be valuable in shaping future member engagement and USM prevention campaigns.

Superannuation Industry Stewardship Group special purpose working group

Strong industry interest was received, with membership expected to be finalised and the first meeting scheduled for September 2026. The first formal task of the special purpose working group will be establishing its terms of reference. This will define the group's scope, priorities, governance arrangements and expected outcomes.

The group’s initial focus will be identifying a small number of high-impact issues where government and industry can work collaboratively to improve member outcomes. The first workstream will concentrate on unclaimed superannuation, insurance, remote communities, and First Nations members, with an expectation that both operational and policy issues will be explored.

Data quality

Funds are encouraged to review their processes to ensure:

- member data is accurate and complete
- USM categories are correctly applied

- outcome responses are actioned promptly
- Section 20C notices are responded to within required timeframes
- payment reference number management controls are effective
- correct application of USM category hierarchy
- members are encouraged to make a binding death benefit nomination, so their super benefits are paid according to their wishes and more easily passed on to their beneficiaries.

Super services fraud reporting

The presentation focused on fraud reporting related to SuperMatch and the importance of providing timely, accurate, and actionable intelligence when suspected misuse is identified. Funds are encouraged to enhance reporting by providing detailed information on suspected misuse, particularly suspicious mobile numbers and email addresses used during fraudulent interactions, as well as member identifying information.

The importance of reporting the member account number, consistent with member account attribute service reporting, was emphasised as a key identifier to support investigation and intelligence activities. Consistent, well-structured reporting with accessible attachments helps the ATO assess incidents quickly, identify fraud trends, issue SuperMatch alerts, and share intelligence across the superannuation sector.

Frontline operations update and super enquiry service trends

The update covered activity from 16 May to 21 August in comparison to 16 February to 15 May 2026. Overall, demand remained relatively stable. Fund-initiated requests increased modestly from 891 to 971 across the most recent 2 periods. The most notable change is the shift in where demand is occurring. In the previous period, departing Australia superannuation payment and self-managed superannuation fund verification service verification requests represented the largest source of contact. In this period, we have seen those categories reduce, while demand has increased across other areas.

ATO proactive engagement

Proactive engagement has risen from 125 to 249 over the 2 periods. This increase is largely driven by activity relating to USM, transfer balance account reporting, suspended payments and SuperStream failed validation messages.

System issues

The group was reminded that if there are any problems with release authorities or payments, to notify the ATO immediately by lodging a super enquiry service request.

Reconciliations

Funds are to proactively undertake reconciliation's on ATO accounts and contact us for any questions regarding payment variation advice and payments.

Suspended payments and failed validations

Funds to send data messages and payments as per data and payment standards. When we contact the funds for more information regarding suspended payments, failed validations/reconciliations please respond within relevant time frames.

QC 108064

Superannuation Administration Group key messages 20 May 2026

Key topics discussed at the Superannuation Administration Group meeting 20 May 2026.

Published 22 June 2026

Opening remarks

The co-chair mentioned that the budget handed down recently had no real impact for superannuation or this group.

Payday Super

Members were advised the Payday Super webinar suite is available on the following platforms:

- the employer and tax professional webinars have been published on ato.gov.au
- the sessions for digital service providers and super funds are accessible via ATOtv and referenced through the newsroom.

New guidance is being developed to clearly articulate what employers need to do from 1 July 2026 when paying super. The overarching message is that:

- the fundamentals of the system are largely unchanged
- employees for whom super is paid will remain the same
- payroll timing itself will not shift
- the method of paying super will stay consistent, aside from those employers who currently rely on the Small Business Superannuation Clearing House (SBSCH).

A communications campaign which utilises social media is underway and newly released videos explaining the transition to Payday Super and outlining changes to the super guarantee charge, as well as a 'one month to go' video scheduled for release in June.

The ATO's employer email campaign has now concluded, and comprehensive changeover guidance is available online. This covers key transition considerations such as:

- the shift from quarterly to Payday Super
- the interaction with Single Touch Payroll
- what steps employers should take if their software is not yet ready, including that there is no need to request a deferral in the first year
- addresses cash flow considerations and provides guidance on how employers can communicate these changes to their employees.

Exemption certificates

Exemption certificates are now available for application via the ATO website. These certificates ensure employers are protected where

high-income earners opt out of receiving super guarantee contributions. Applications must be received by 30 May to apply from 1 July 2026.

Member verification requests

Members have observed conflicting messages being delivered to employers regarding the use of member verification requests (MVR). We clarified MVR remains a requirement for employers under the SuperStream standard. Discussion in the meeting acknowledged the compliance note, which confirms that the functionality needs to be available for employers. The ATO undertook to review messaging in line with this compliance note.

Voluntary disclosure statements

Members sought clarity on what options are available to employers who believe they may not have met their obligations during the first year. It was confirmed that employers retain the legal right to lodge voluntary disclosures. The form for lodging voluntary disclosures will be available on 1 July 2026 and will initially be a simplified Excel-based submission lodged through ATO Online services.

MATS reporting timeframes

The current Member Account Transaction Service (MATS) reporting framework requires employer contributions to be reported within 10 business days of allocation. This timeframe was reviewed by a working group, and they recommended to reduce the reporting timeframe from 10 business days to 3 business days from the point of allocation. Approximately 80% of employer contributions are already reported within 3 business days.

Funds currently have up to 3 business days to allocate a contribution after receipt, followed by a further 3 business days to report the contribution via MATS. As a result, where full timeframes are utilised, reporting may occur up to 6 business days after receipt. The current position is to target implementation in March 2027, allowing sufficient time for Payday Super to stabilise. The proposal will require an amendment of the relevant legislative instrument.

Business implementation guide

The Single Touch Payroll business implementation guide and associated guidance materials were finalised and published in December 2025. Any future updates to these documents will be communicated to digital service providers through the Online services.

Better Targeted Super Concessions

The legislation has passed and Royal Assent was received on 13 March 2026. Treasury has already consulted on the draft regulations, and we are waiting for these to be finalised.

The ATO is continuing to incorporate industry feedback into the design of the implementation approach. A recent 2 day workshop with industry participants provided valuable insights, and we are currently reviewing the outcomes and information gathered during those sessions. A consolidated summary is expected to be shared with the working group by the end of June, with broader distribution after this.

Preparations are underway to put in place new web content for Div 296 and update existing content on total super balance. Additional public advice and guidance products will be developed and formally consulted on once the regulations have been finalised.

Div 296 request for information process

While operational in focus, this process is a critical component in supporting accurate reporting and administration. Following feedback from industry, we have adjusted timeframes to better reflect the practical challenges associated with funds calculating and reporting their members relevant super earnings.

For certain defined benefit and other interests that will be calculating their members relevant super earnings using the alternative method, requests for Information (RFIs) are expected to commence issuing in November, with funds generally given 10 business days to respond. For all other Australian Prudential Regulation Authority (APRA) funds, RFIs will commence issuing in April, with a response period of 28 calendar days.

It was noted that RFIs may issue outside these timeframes where:

- previously reported information is amended

- new information becomes available outside the standard reporting windows
- timing is affected by the lodgment patterns of self-managed super fund (SMSF) annual returns, which can vary across the year.

It was acknowledged that in the first year of operation the ATO will work closely with funds to address implementation challenges as they arise, including considering extensions or providing additional support where needed. A different reporting pathway applies to SMSFs. For SMSFs, the relevant earnings information will be reported through their annual return.

Rollover benefits statement – reducing fraud and identity theft risk

Due to growing concerns about the fraud risks associated with inappropriate access to personal information contained in the fund-to-member rollover benefit statement (RBS) and death benefit rollover statement (DBRS), we will be updating the Instrument of Approval and associated approved forms. Updates to the RBS and DBRS fund-to-member statements will result in the removal of the tax file number, date of birth and signed declaration from the approved form.

There will be no changes to the fund-to-fund RBS or DBRS submitted via SuperStream, or the paper forms currently published on the ATO website. These forms will continue to require inclusion of tax file numbers, dates of birth, and a signed declaration.

The updated Instrument of Approval is expected to be finalised in the second half of the year, providing funds with sufficient time to plan for and implement the required changes within existing delivery schedules. The Instrument of Approval specifies minimum requirements, so even though funds may add further information to these forms, due to the risk of fraud, funds are strongly encouraged to update their systems as soon as possible to remove sensitive personal information.

Industry members expressed support for this, noting that it represents a balanced and risk-based response to emerging fraud risks. Early access to drafts of the new NAT forms was identified as particularly valuable, as it would enable funds to incorporate changes into planned system releases.

APRA fund data integrity and Survivors Bill

The Treasury Laws Amendment, The Survivors Law Bill 2026 passed both Houses of Parliament in the previous week and at time of publishing has received Royal Assent. Applications under the measure will commence 12 months after the date of receipt of Royal Assent. This lead time is intended to allow for the development and implementation of the necessary administrative processes. Under the proposed arrangements, a 2 step application process will be implemented:

- one relating to visibility of superannuation holdings
- the other for the release of funds.

The ATO will be responsible for receiving, reviewing, and processing these applications, including managing requests to access information and payments from superannuation funds. Application forms will be made available on ato.gov.au and a new paper-based release authority will be issued to funds as part of the process.

Data Quality

The discussion included an update on draft practice statements that clarify the ATO's approach to penalties for not meeting reporting obligations across the superannuation and payroll systems. The member reporting practice statement covers reporting through the Member Account Attribute Service and MATS. Consultation on the draft practice statements closed on 24 April 2026 and feedback is currently being considered.

The ATO outlined a renewed focus on fund member reporting data integrity. While acknowledging that the system is generally operating effectively, it highlighted that data quality, and timeliness challenges remain across what is a very large and high-volume reporting environment. Even small levels of non-compliance can have significant downstream impacts for members and employers particularly as the ATO is becoming increasingly reliant on this data to assure super guarantee compliance.

Establishing a lost and unclaimed super working group

The purpose of this proposal is to invite expressions of interest from members to participate in a dedicated working group to be established under the Superannuation Industry Stewardship Group. In its initial phase, the group is expected to focus particularly on the needs and experiences of First Nations people and individuals facing vulnerability.

A key priority will be to ensure that membership reflects genuine, lived experience of the challenges faced by individuals and superannuation funds, particularly in relation to lost and unclaimed superannuation monies. While the group will remain open to identifying opportunities for advocacy, its primary focus will be on identifying practical, achievable solutions within the current legislative framework. The emphasis will be on delivering meaningful, short-term improvements that can be implemented without the need for extensive policy reform.

Frontline Operations and super enquiry service trends

Inbound

The discussion provided a high-level overview of current activity within the super enquiry service, with particular focus on how demand is evolving and where pressure points are emerging. Covering the period from 16 February to 15 May 2026, main points were:

- Inquiries received was 891, representing a decline of 399 compared to the previous 4 month reporting period. While overall volumes have decreased, the ATO emphasised that it continues to closely monitor the nature of inquiries to identify recurring areas of friction, with the aim of improving guidance and refining processes to reduce the need for escalation.
- Reconciliation and payment alignment remain a significant source of inquiry demand. Funds to proactively undertake reconciliation’s on ATO accounts and contact us if any questions regarding payment variation advice and payments. Another contributing factor to avoidable inquiries relates to early release approval letters. Some contact is being driven by situations where letters have not been downloaded from online services prior to contacting the inquiry service.

Outbound

Over the same reporting period, 125 outbound requests were issued from ATO, a reduction of 28 compared to the previous period. These were primarily focused on SuperStream validation messages, suspended payments, and unclaimed superannuation amounts.

Other business

A significant milestone was noted in relation to the SBSCH remediation program, with all associated engagements now concluded. As this work draws to a close, funds were reminded of the importance of ensuring that clearing house payments are correctly allocated within their systems and that any necessary rejections are actioned promptly.

While initial remediation effort itself is complete, the final quality of outcomes now depends on maintaining strong internal controls and avoiding residual backlogs. Funds were encouraged to complete remittance and related processing activities wherever possible. While the ATO confirmed that arrangements for handling payments and refunds after 1 July are still being finalised, it reinforced that early completion remains the most reliable and low risk approach.

QC 107570

Superannuation Administration Group key messages 18 February 2026

Key topics discussed at the Superannuation Administration Group meeting 18 February 2026.

Published 1 April 2026

Payday Super

The Australian Taxation Office (ATO) explained it's strategy for education and engagement, emphasising that the regulations are still pending. As such we are operating from the assumptions established in the prior consultation packages.

Fund webinar

The ATO's recent fund-facing webinar drew almost 1,800 registrations and over 1,000 live attendees, well above baseline. The recording is expected to be released via ATOtv and promoted across ATO newsletter channels. The webinar included approximately 25 minutes of live Q&A, and questions are being used to refine web guidance and frequently asked questions (FAQs).

Upcoming audience specific webinars

Next steps include a prerecorded tax professionals webinar around mid to late March, and further digital service provider (DSP) and employer webinars. For employers, the ATO intends more scenario-based education, qualifying earnings, super guarantee (SG) charge.

Employer awareness letters

Beginning mid-April, the ATO will run a staggered letter campaign to approximately 950,000 employers. Sequencing aims to avoid overlap with other campaigns, like Small Business Super Clearing House and to ensure frontline capacity is ready to handle enquiries. Triaging will prioritise employers not represented by tax professionals given they are more likely to be unaware of the measure. Letters are designed to raise awareness, not provide all technical detail, pointing recipients to more detailed guidance online.

White label toolkit

A refreshed communications toolkit, moving from 'get ready' to 'take action now' will be shared with stakeholders. It is designed to standardise language, improving search performance and message coherence across the ecosystem. The kit will present content slices by audience, funds, DSPs, employers and by topic. This will be made available for members once finalised.

Member and stakeholder feedback

Access to ATO communications was discussed. Insurance-based administrators can miss ATO updates when information is channelled primarily via fund trustees. We encourage direct subscription to ATO newsletters, superfund news, self-managed super fund news, business bulletin, recognising that communications need to reach the full chain, not just fund trustees.

Timing concerns

Some members asked whether the distribution of mid-April employer letters is too late, given potential cash flow reshaping for July. The ATO advised that with a very high proportion of employers relying on tax agents, we must ensure tax professionals have guidance first so they can advise clients when letters are received. Contact centres and ATO teams need to be synchronised to handle an expected increase of inbound phone calls.

FAQs on the web

Industry sought a single, dedicated FAQ hub, a model used for prior SuperStream shifts. We advised that current web patterns and AI search behaviour have nudged design away from extensive FAQ pages, but we will take this feedback under consideration.

Members can email paydaysuper@ato.gov.au if they have any specific questions or feedback they would like to share.

Payday Super, SuperStream improvements

Readiness survey

The ATO issued a letter to trustees on 17 Dec 2025 requesting that trustees provide us with their plans for SuperStream changes. Most respondents, covering approximately 60% of total member accounts, plan to be ready by 1 July 2026 for SuperStream changes, including the improved error messaging and member verification responses (MVR). The ATO will contact nonresponders and engage funds which have indicated a readiness date later than 1 July 2026 to understand blockers.

New payment platform

Most funds are targeting new payment platform readiness from 1 July 2026. One large fund has opted-in early and is listed on the ATO opt in register. The ATO continues to engage its working group to discuss matters such as member account transaction service (MATS) employer contribution reporting timeframes, which is expected to reduce from 10 to 3 days.

The ATO noted requests for SuperStream Alternative File Format (SAFF) specifications and will provide supporting guidance in the user

guide to provide clarity to DSPs), who rely on it.

Operational impacts

The ATO acknowledged that moving from a 20-day error resolution buffer to 3 days, to align with product disclosure statement may cause an initial spike in error messages/rejections, especially for existing employees where legacy data problems exist or where the MVR is not used for new employees. Funds are expecting to see higher contact volumes, and more complaints when previously massaged contributions start bouncing back.

Payday Super, ATO compliance approach for the first year

Compliance approach Practical Compliance Guideline PCG 2026/1

The risk-zoned compliance posture for 1 July 2026 to 30 June 2027 is as follows:

- Low risk – employers attempting to pay on payday cadence; if a payment is rejected but promptly corrected, the ATO will not pursue compliance action for that qualifying earnings (QE) day.
- Medium risk – employers sticking to quarterly cadence; may be subject to review.
- High risk – late/insufficient contributions, these cases are prioritised for enforcement.

Post-consultation changes include a more precise definition of 'as soon as reasonably practicable,' expanded timing examples, and 2 new illustrations (examples 8 and 9) showing how employers can move between risk zones across QE periods. The ATO aims to protect members' entitlements while enabling transition, resisting calls to be either more lenient (a 2-year glide path) or more punitive (zero tolerance for quarterly cadence).

Australian Prudential Regulation Authority (APRA) engagement

The ATO is actively collaborating with APRA, recognising that funds will face their issues, throughput constraints, and triage challenges,

especially if MVR uptake is uneven. This coordination aims to maintain sector stability during the transition.

Better targeted super concessions

Bills were introduced to parliament and are expected to be debated in the first March sitting. While a detailed policy walkthrough was not provided an update clarified fund obligations.

The calculation of total super earnings for an individual has now changed. An individuals total super earnings for an income year is made up of their relevant super earnings from each of their super interests that is included in their total superannuation balance.

Total super earnings do not include earnings from a foreign fund interest or Div 296 excluded interest.

Super funds will be required to:

- Calculate their Div 296 fund earnings via the statutory formulae, then attribute earnings to each member interest. Attribution of those earnings depends on the type of fund with further details to be prescribed in the regulations.
- APRA funds will report their in-scope member's relevant super earnings to the ATO via a request for information (RFI) process that was previously designed.
- Defined benefit (DB) funds will report, via an RFI process, relevant components that allow the ATO to calculate the individual's relevant super earnings.
- Self-managed super funds will report their in-scope members relevant earnings to the ATO, how they will do this is currently being considered.
- Funds that have in-scope members with both accumulation and defined benefit interests will need to report the relevant super earnings for the accumulation interests and the relevant components for the defined benefit interest.

We expect our RFIs to start issuing from November 2027, this will be to defined benefit funds. For APRA funds the RFI process will begin around February 2028, allowing time for them to lodge their income tax return which is due at the end of January 2028.

Assessments are expected to issue from March 2028 and due to our deployment schedule defined benefit members may receive 2 assessments in the 2028 calendar year, 2026–27 assessment in March 2028 and 2027–28 assessment in November-December 2028.

Superannuation on government funded parental leave pay (PLP)

Legislation is in force – a miscellaneous technical amendment is progressing to allow funds to accept Paid Parental Leave Superannuation Contribution (PPLSC) without a tax file number (TFN). The aim is that this will be in place before the first payments issue.

Systems build is complete, interagency testing with Services Australia is underway.

Payments are expected to commence from July 2026, eligible recipients are those who have had children born on or after 1 July 2025. In a full year, based on Services Australia previous data, up to 300,000 individuals receive PLP. Volumes will be similar for those eligible to receive PPLSC.

PPLSC will be sent using existing SG contribution message formats, and funds will report receipts back via MATS accordingly.

Low income super tax offset

The low-income super tax offset (LISTO) threshold will increase from $37,000 to $45,000, effective 1 July 2027. Because LISTO is administered via established processes, funds should expect greater volume and amounts, but no fundamental message format changes.

Several funds flagged recurring operational issues including:

- LISTO contributions sent where the fund does not hold a TFN, which forces rejection and recycling.
- Repeat sending of rejected LISTO amounts in later cycles.

The ATO acknowledged and indicated these matters sit outside the current scope of the project but could be explored with ATO Data & Services.

Access to offenders super exposure draft

Treasury have released an exposure draft for public consultation, with submissions closing 20 February 2026. The policy intent is to let eligible child sexual abuse victims with unpaid compensation orders seek to fulfill these by accessing the perpetrators super, as determined by the Federal Circuit and Family Court of Australia.

High level flow

1. The victim approaches the ATO with the original unpaid compensation order.
2. The ATO provides visibility of a monetary super balance of the perpetrator (not disclosing fund identities).
3. The victim seeks a Federal Circuit Court order (perpetrator compensation release order).
4. The ATO issues release authorities to relevant funds.
5. The Funds remit to the ATO, which pays the victim directly.

Operational considerations:

- Volume is expected to be low, but sensitivity is very high.
- Anticipate paper-based release authority processing.
- The ATO plans to create a specialist handling team with restricted access levels to manage privacy and trauma aware interactions.

Funds are urged to submit exposure draft feedback promptly, particularly on bankruptcy interactions, family law splitting ramifications, preservation nuances, and paper response requirements.

Cook Islands superannuation portability

The Cook Islands portability measure is supported by a Memorandum of Understanding signed in November 2024. The aim is to enable reciprocal transfers between the Cook Islands National Super Fund and APRA regulated funds, self-managed super funds are out of scope. Unlike Trans-Tasman portability with New Zealand, this channel is narrow with a single counterpart fund. As such volumes are expected to be very small, there are approximately 7,000 Cook Islanders in Australia.

Key points raised included:

- Outbound (Australia to Cook Islands) – APRA funds must facilitate member requests to transfer to the Cook Islands fund, like KiwiSaver obligations on outflows.
- Inbound (Cook Islands to Australia) – Voluntary for Australian funds to accept; likely to mirror the current pattern with KiwiSaver, where only some funds offer intake due to administrative complexity.
- Tax and preservation – Different treatment for voluntary vs. involuntary, employer amounts must be encoded in fund withdrawal types and tax codes.
- Implementation timing depends on legislation in both jurisdictions; the ATO will progress Australian readiness while monitoring Cook Islands legislative steps.

Frontline operations and super enquiry service trends

The ATO presented recent operational statistics for 18 October 2025 to 15 February 2026 with 1,260 enquiries received across the period – main themes included:

- Departing Australia superannuation payment queries. The increase for this period was some online access issues for some administrators which have been mostly resolved.
- Early release of super benefits approval letters. These should be downloaded from Online services for business prior to contacting us via Super Enquiry Service. Funds should have process to download these files before they are archived.
- Reconciliations/SFT (Successor Funds Transfer). Funds are to reconcile accounts proactively and when an SFT occurs ensure that we are notified well in advance and that there is a contact for the fund. Reconciliations for ATO accounts to be preferably completed prior to SFT. Funds are to proactively undertake reconciliations and contact us if any questions regarding payment variation advice and payments.
- Release Authority (Division 293) – excess concessional contributions, excess non-concessional contributions, first home super saver.

  - Funds to refer to problem solving guide and incorporate it into their process to ensure payment and Release Authority statement (RAS) process and funds meet their legislative obligations.
  - Release authorities – problem solving for SuperStream users.
- Member account attribute service (MAAS) and MATS reporting.
- ATO initiated requests to funds
  - requests created in the same period was 153
  - suspended payments related to 71, for example inbound failed validations, unclaimed superannuation money statement complications
  - reminder to monitor the registered mailboxes and respond by due dates; lagging responses block downstream ATO processing.

Other business

Members appreciated the ATO's willingness to escalate technical issue, for example fund verification service, bulk guidance.

The pragmatism of PCG 2026/1, and the communications approach recognising the complexity of reaching funds, DSPs, trustees, payroll, and employers with consistent language.

Key forward date timeframes:

- fund webinar recording available shortly for on demand access
- tax professional's webinar mid to late March – employer webinar following
- Staggered employer letters from mid-April
- co-design sessions restarting for Div 296
  - possible DB RFIs from November 2027
  - APRA RFIs February 2028
  - early assessments March 2028
- PPLSC first payments July 2026, TFN exemption instrument anticipated before first payments.

- LISTO higher threshold 1 July 2027.

The co-chairs acknowledged the compressed timelines and breadth of current change, and emphasised the delivery goals will require precision, operational patience, and proactive stakeholder testing.

QC 106344

Superannuation Administration Group key messages 9 December 2025

Key topics discussed at the Superannuation Administration Group meeting 9 December 2025.

Published 7 January 2026

Payday Super

Payday Super legislation received Royal Assent on 6 November 2025 and will come into effect on 1 July 2026. The Stapling Bill (Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025) was introduced on 26 November 2025 but has not yet passed, and regulations are expected early in the new year.

Technical artefacts

All technical artefacts and guidance for SuperStream have been published, with funds and providers urged to review and begin planning for builds which need to be in place by 1 July 2026.

Member discussion noted that whole of economy changes may be necessary for a smooth transition, with the example provided of processing payments on the new payments' platform. It is important to act early to ensure any issues are identified and resolved promptly.

Small Business Superannuation Clearing House

The Small Business Super Clearing House will be closed as of 11:59 pm on 30 June 2026. It is recommended (not mandated) that users transition to alternative payment methods following the January – March quarter, as the shut off date is before super guarantee payments for the April – June 2026 quarter is due. Web content will be refreshed in January or February 2026, with further messaging to follow.

Communications

Updated web content, fact sheets, and videos have been released to explain Payday Super changes, with additional resources planned for the new year. A trustee letter will issue soon, and digital service provider (DSP) letters will issue when final artefacts and technical documents are available.

A super fund focussed webinar is planned for early 2026, with feedback sought on the content and timing. Feedback was received recommending an earlier session, February and a focus on technical and operational readiness.

Paid parental leave superannuation contributions

A minor technical amendment to address the acceptance of contributions without a tax file number was released for public consultation Miscellaneous Amendments to Treasury Portfolio Laws 2025, closing on 2 January 2026, which will ensure minimal impact on stakeholders and resolve any concerns around this element.

The group noted the positive outcome from discussions held in this group, leading to a better outcome for this measure.

Other updates included:

- The project team has finalised IT builds and is preparing for interagency testing with Services Australia starting from late January, with deployment planned for June 2026.

- Reporting requirements and memorandums of understanding with the Department of Social Services are being finalised.
- Recent communications included super news and DSP news articles, with no significant concerns raised. Members were asked to review published materials and provide feedback on any additional communication needs ahead of the go-live date.

Better targeted super concessions

Treasury is finalising the draft law for better targeted super concessions following targeted consultation, with legislation expected to be introduced as soon as possible in 2026. ATO consultation to resume once policy details are public.

Incident management over closedown period

Members noted the incident management protocols during the Christmas shutdown including:

- The digital partnership office will maintain 24/7 incident response via their phone line **07 3121 7880**, with critical incidents best reported by phone.
- A Jira (workflow management system) can be lodged on the Super Enquiry Service for any non-critical notifications.
- The dashboard will show any planned outages, or any significant unplanned outages.
- The external vendor testing environment will be unavailable during the shutdown period.

QC 106032

Superannuation Administration Group key messages 22 October 2025

Key topics discussed at the Superannuation Administration Group meeting 22 October 2025.

Published 27 January 2026

Payday Super

Legislation was introduced on 9 October 2025 in relation to the core changes regarding superannuation guarantee obligations and the super guarantee charge. Also confirmed was previously announced start date of 1 July 2026.

We are expecting further changes to come via regulations and additional bills that were outlined in the initial government fact sheet and exposure draft law.

Stapling and advertising bans are not off the table; our understanding is that these will look to be introduced in a subsequent bill.

Regulations are expected to be released soon in relation to other elements such as returning contributions – if a contribution is unable to be allocated and needs to be returned, this will need to happen in 3 business days, rather than the existing 20 business days.

Members were reminded that as of today, Payday Super is not yet law. While it has been introduced and read for a second time, we do not know any further timeframes or information as to next steps for its progression through the legislative process.

After the exposure draft and the introduced bills, there are several noticeable changes that were made because of the consultation feedback. Treasury have published a summary of the outcomes of exposure draft consultation PDF 212KB and the key changes on their website.

Members clarified the meaning of a business day, given the change from 7 calendar days to 7 business days between the exposure draft and the bill. The meaning of 'business day' is consistent across the country. For example, if any state or territory has a public holiday this is not a business day.

A question was posed regarding regional public holidays. Clarification was provided that from the introduced Bill, business day means a day other than:

- a Saturday or a Sunday; or
- a day which is a public holiday for the whole of
  - (i) any State; or
  - ii) the Australian Capital Territory; or
  - (iii) the Northern Territory.

Any extended dates also change to business days. This applies to the new extended 20 business day due date for any situation where an employer needs to make a contribution to a fund for the first time for an employee, not just new employees.

Compliance approach for the first year

Draft guidance has been published on the ATO's employer compliance approach for the first year of Payday Super. Draft Practical Compliance Guideline PCG 2025/D5 *Payday Super – first year ATO compliance approach* recognises that employers who try to do the right thing from 1 July 2026 to 30 June 2027, and resolve any issues quickly, should not be the focus of ATO compliance action.

The ATO Corporate plan

Our Corporate plan has been released, and it lists Payday Super as an enterprise priority, which highlights the importance that the ATO is placing on the implementation of Payday Super.

This is a significant reform to the superannuation system and will require all participants in the ecosystem (including superfunds, digital service providers (DSPs), gateways and over 950,000 employers) to make changes in parallel to ensure success.

Leadership structure in relation to Payday Super has changed with Emma Rosenzweig the Deputy Commissioner of the Payday Super Program and Ben Kelly the Deputy Commissioner for the Superannuation and Employer Obligations Business Line.

Payday Super – SuperStream improvements

To support the readiness of Payday Super we are making several updates to SuperStream, expected to apply from 1 July 2026 including:

- The requirement for funds to accept fast payments via the New Payments Platform (NPP) by 1 July 2026.
- Updates to error messaging so it is timely, clearer, and more meaningful. This will give employers better information to help them resolve errors.
- A new SuperStream Member Verification Request (MVR) message for employers to verify employee's fund details are correct and the fund will accept a contribution. This is a significant change that aims to give employers confidence that there is less risk of rejected payments.
- Changes to Fund Validation Services (FVS) to increase the visibility and traceability of changes or closures to unique superannuation identifier (USI).

Under the Contribution User Guide V3, MVR should be used to verify an account in the following scenarios:

- a nominated fund by an employee through choice
- change in an employee's choice of fund
- following a product closure or merger
- change in payroll or registry systems where agreement has been provided by the fund
- as part of corrective action following a rejected contribution from a fund
- where there are changes to employee information, such a tax file number, date of birth and name.

An employer, or their provider, will be advised they should not use the MVR to support regular contributions processes. The ATO will look at include content on the employers' page on ato.gov.au to clarify this as part of the SuperStream changes.

With funds having less time to match employee information to a members account, reducing to 3 days, down from 20, it is important employers do as much as possible to have accurate and complete information to avoid errors.

From 1 July 2026, the FVS services will be upgraded to include new information like:

- new data to capture the reason a USI is closing
- where the closure is due to a Successor Fund Transfer or Intra-fund Transfer, funds will also be required to provide the Australian business number and USI of the receiving fund
- whether a USI is ready to receive fast payments and a PayId (if applicable)
- rationalised contact information for support with SuperStream processing issues
- new certification value to support response messaging as part of closing a USI.

A new FVS get service will also include closed USI details to help employers trace fund changes. The new FVS get service will be available alongside the current FVS get service for 12 months.

New versions of the 'update and get services' will be available in our External Vendor Testing Environment (EVTE) from 17 October 2025. The new version of the FVS bulk service will be available in EVTE from December 2025.

Technical and business guidance documents on these changes are available on the Contribution standard v3.0 page on the software developer's website. DSPs should review these specifications now and begin planning their implementation strategies with their employer and super fund clients to ensure compliance by the 1 July 2026 deadline.

Small Business Superannuation Clearing House

The Small Business Superannuation Clearing House will be retired from 1 July 2026 and new users to the service have been unable to register from 1 October 2025.

We are encouraging employers to transition to alternative services prior to this time.

While the ATO cannot recommend a service, we will be guiding employers to information that will help them consider the options that best suit their business needs.

This includes options within their existing payroll software, super fund clearing houses or online payroll systems, a variety of which can be found on the SuperStream Product register, which contains a listing of payroll and clearing house products.

If DSPs have a product listed on this register, we are encouraging them to review the accuracy of the product information on the register. You can also have new products added to the register by contacting the DPO.

Other points to note:

- Production readiness – timeline and delivery remain on track to previously agreed dates. The progression or any delay of the Payday Bills will not push any of these timeframes further.
- Funds were encouraged to move to NPP sooner to get familiar with the change, and to respond to any implementation issues while the volumes are lower, and funds have more time to resolve them under the quarterly regime.
- The final SuperStream documents to provide the remaining information about testing and transition will be published by the end of November.
- Key message for industry regarding delivery time frames – 'don’t wait and don’t be late!'.
- STP changes will be discussed at future SAG meetings, with the changes summarised as STP is being updated to include a new code for QE, which will be required to be reported by employers from 1 July 2026.
- EVTE will be available from December for DSPs to test this change.

Payday Super – negative MATS

Under the Payday Super legislation, payment of qualifying earnings (QE) to an employee will, give rise to a liability for the employer to make a super contribution on their employee’s behalf.

Such contributions are usually to be received by the fund within 7 business days (of the payment of the QE). Contributions will be allocated against the earliest period with a liability, based on the order in which they were received by the employee’s fund.

Contributions made after a particular period’s due date will be ‘late’ contributions for that period.

Funds may use a negative member account transaction service (MATS) to reduce the value of contributions.

As there is no direct link between a negative MATS and the contribution it is reducing, business rules have been developed in line with sections 5.20 and 5.22 of the MATS Business Implementation Guide.

These business rules can be summarised as:

- A negative MATS will offset the contribution with the same effective date as the negative MATS.
- Where there is no contribution with the same effective date, or where the value of the negative MATS exceeds the contribution with that effective date, the negative MATS will offset the next most-recent contribution (that is, the preceding contribution).
- This process will continue until the entire value of the negative MATS is offset, or there are no more contributions within that financial year.

Better targeted super concessions

On 13 October the government announced changes to the better targeted super concessions measure. A fact sheet providing an overview of the proposed changes was released, with further consultation also planned. Treasury will release further details in due course. As such the information below is limited to what has already been announced.

- Changing the start date to 1 July 2026, with first assessments issuing in the 2027–28 financial year.
- Introducing a second threshold to better target super concessions on balances above $10 million.
- The $3 million threshold will be indexed in $150,000 increments aligned with the transfer balance cap.
- The $10 million threshold will be indexed in $500,000 increments aligned with transfer balance cap.
- Moving to a realised earnings approach that aligns to existing income tax concepts.
- There will be a 2-tiered approach to the tax rates for large balances
  - 30% on the proportion of earnings corresponding to total super balance (TSB) between the lower threshold ($3 million) and the

higher threshold ($10 million)

- 40% on the proportion of earnings corresponding to TSBs above the higher threshold ($10 million).

Based on the latest announcement:

- The ATO will calculate an individual's TSB as we do every year.
- The ATO will contact funds that have members impacted by the measure and ask for their realised earnings. Funds will calculate the earnings and the share attributable to the member and report it back to the ATO.
- Our early thoughts are that we will still use the request for information process previously designed for Australian Prudential Regulation Authority (APRA) funds but instead of getting funds to report contributions and withdrawals, they will report realised earnings.
- We are waiting further direction on what the changes are for the self-managed super fund annual return in relation to information we don't currently obtain.
- Funds realised earnings will be based on the taxable income adjusted for elements such as contributions and pension phase income. The members share of the fund's realised earnings will be based on existing reporting mechanisms, or on a fair and reasonable basis which the ATO will provide guidance.

The Government will further consult on:

- calculating the realised earnings and attribute to in-scope individuals
- extend the existing exemption for some judges to improve consistency across jurisdictions
- make additional changes necessary to ensure commensurate treatment is maintained for defined benefit members.

Superannuation on government funded parental leave pay

As discussed at the last meeting, we continue to progress the system build in conjunction with Services Australia. We have a memorandum

of understanding (MOU) in place with Services Australia for the new data exchange. We are currently developing a new MOU for data reporting with the Department of Social Services, who are the lead agency.

Contribution user guide

A super news article Guidance for funds on preparing for paid parental leave superannuation contribution (PPLSC) has now been published and is live in the Super funds newsroom.

Fund nomination process

The fund nomination process for individuals is not changing, however where there is not a specific member nomination for PPLSC, ATO systems will identify an eligible destination based on the hierarchy prescribed in the PPL rules. However, if no specific nomination has been made, the most likely scenario is that it will go to the fund with the largest number of contributions. If no fund is available or nominated, payment will go to the superannuation holding account. Refer to Paid Parental Leave Amendment (Adding Superannuation for a More Secure Retirement) Rules 2025.

Member notification

The ATO will send correspondence to the PPLSC recipient when PPLSC has been paid, which will include the amount and the relevant calculation components. Services Australia will not be providing the payment advice for PPLSC. Services Australia will only provide recipients the current existing correspondence advising details of the Parental Leave Payment (PLP).

Commencement

Initial PPLSC payments for 2025–26 PLP amounts are scheduled to commence following both ATO and Services Australia system deployments from July 2026. However, as this is a new data set which will require extensive testing, it is likely payments may continue into August 2026.

Going forward, from July each financial year there will be a large file containing the bulk of PPLSC payments to be issued for the previous financial year amounts, that is, July 2027 will be PPLSC amounts for 2026–27. The ATO will also receive small weekly files from Services

Australia, which may result in additional payments or amendments throughout the year.

Other business

General feedback was that at present APRA funds had no capacity outside of preparing for Payday Super, system builds for SuperStream changes and better targeted super concessions.

QC 106091

Superannuation Administration Group key messages 17 June 2025

Key topics discussed at the Superannuation Administration Group meeting 17 June 2025.

Published 12 August 2025

Payday Super

The announced Payday Super (PDS) measure is not yet law and is subject to consideration by the incoming government.

An update from the Payday Super Working Group meeting on 6 June 2025.was provided including:

- Staged communication approach for the Small Business Superannuation Clearing House (SBSCH) closure. The ATO provided the group with simplified data in relation to usage of the SBSCH.
- Feedback from the group suggested
  - awareness was low with many employers unaware of this change
  - public communication about the change will prompt consumers to question digital service providers about product readiness
  - that the SBSCH will close prior to the quarter 4 2025–26 lodgment deadline and awareness of this is important.

- We intend to create a small working group to manage the transition of the SBSCH closure allowing industry members to provide insights and expertise on how to frame the communications.

Treasury advised briefings are underway in relation to the submissions received on the exposure draft and for any further questions email Treasury paydaysuper@treasury.gov.au

An update from the Single Touch Payroll (STP} working group included:

- Draft validation rule updates were shared with the working group before the caretaker period to allow time for finalisation.
- Updates to the business implementation guide and other key documents were prepared during the caretaker period and released to the group after caretaker ended.
- Feedback is being reviewed and we are considering the best way to publish this documentation to the broader digital service provider audience.
- Some items in the technical documentation, such as qualifying earnings and the maximum contributions base, are still subject to draft legislation.

A brief update was provided on the ordinary time earnings (OTE) guidance group that is not part of Payday Super but came about because of discussions from the STP Technical Group.

Improved guidance on ordinary time earnings is expected to be published because of the work of the OTE guidance group.

Members said publishing technical documentation so close to the end of the financial year could be problematic. The ATO confirmed they will be taking that into account when considering any publishing.

Payday Super changes

The following data was shared regarding current SBSCH usage:

- on average each financial year, there are approximately $1.2 million employer payments for $5 million employees, totalling over $5 billion
- 62% of regular users access the service and pay their super quarterly

- 45% of active SBSCH users have 2 or less employees
- approximately half of SBSCH lodgments is made by a tax or BAS agent.

SuperStream changes

Progress continues on improvements to the SuperStream standard for Contributions (v3.0) and Fund Validation Services (FVS).

Business guidance and technical documents were made available on the ATO Software Developers website on 28 March 2025.

There may be further changes to the documents, or new documents added, and impacted stakeholders should regularly review the website for the current version.

The ATO is now focussed on the next round of documents that will support testing, cut over and implementation phases for Contributions and FVS changes.

Key changes to SuperStream have focussed on updates to the FVS to give greater visibility and traceability on fund mergers, track closed unique superannuation identifiers, and improve support information to resolve errors with contributions data and payments:

- improved SuperStream error processes that better clarify messages for employers, explaining why a fund rejected a contribution
- a new SuperStream message for employers to confirm an employee's super fund will accept contributions that will significantly reduce the cause of common errors today.

The following document titles outlining the changes to the data and payment standards have been published:

- Change summary to schedules.
- Contributions message implementation guide – Schedule 4a version 3.
- Error code management – Schedule 6 version 2.
- Change summary fund validation services (FVS).
- FVS user guide version 2.
- Change summary response messaging framework guide version 1.2.

- Response messaging framework user guide version 1.2.

Members can email paydaysuper@ato.gov.au to provide feedback.

Better targeted super concessions Div 296

The ATO has recommenced work on the better targeted super concessions (BTSC) project as it's an announced priority of the federal government. We are continuing with the assumption that there is no change to the scope of the measure, nor to the start date which is 1 July 2025. If anything does change, we will adjust accordingly.

The measure, as drafted will change the way an individual's total super balance is calculated and alter the amount that is included in an individual's total super balance for some super interests.

We are cognisant that some industry stakeholders have readiness concerns and challenges in relation to valuing certain defined benefit interests under the proposed new method and reporting those values to us for 30 June 2025. This issue has been referred to Treasury.

We acknowledge that 30 June 2025 member balance reporting may be based on the old valuation method as law may not have passed by the annual balance reporting date, and funds may not have reporting systems built. We are working with Treasury on issues this may could cause and how they can be resolved.

We have confirmed that:

- The ATO needs additional information to be reported by funds to complete the Div 296 tax calculation.
- Funds that are not a self-managed super fund (SMSF) will report the additional Div 296 tax information to the ATO via bulk data exchange using Online services for business. Funds will have 10 business days to respond to a Div 296 request for information.
- SMSFs will report the additional Div 296 tax information to the ATO via 2 new labels on the SMSF annual return, this will be a change to the 2026 financial year.
- The successor fund transfer (SFT) protocol needs to be updated to accommodate the reporting of Div 296 tax information by funds involved in an SFT or intra fund transfer. We are in the position of having retrospective law and need to consider what this means if an

SFT occurs between 1 July 2025 and when Royal Assent is received.

- Funds will need to have processes in place to identify and correct Div 296 tax reporting issues.
- The existing 'Div 293' and 'Div Def' product type codes in SuperStream will be used for Div 296 release authorities and release authority statements. This removes the need for a SuperStream change. Instead, we will develop a solution that will use a reference number when sending the release authority to the fund which will identify the release authority as a Div 296 release authority, for example, 2514 000 25262 Div 296). When funds respond they will repeat the reference number back to the ATO.

We are focusing on:

- Finalisation of guidance material, for example web content
- Designing
  - ATO online screens
  - election and release authority process
  - deferred Div 296 tax process
  - Div 296 notice of assessments and notice of amended assessments.

The BTSC working group has been contacted and will continue to be a part of the co-design of this measure and will recommence in mid July 2025.

Superannuation on government funded paid parental leave

The primary legislative changes to enact this measure are contained in the *Paid Parental Leave Amendment (Adding Superannuation for a More Secure Retirement) Act 2024*, which received Royal Assent on 1 October 2024. The measure commenced 1 July 2025.

Consequential amendments relevant to the measure were registered 12 June 2025, Treasury Laws Amendment (Paid Parental Leave Superannuation Consequential Amendments) Regulations 2025.

Further parameters for the ATO's administration of the payments will be contained in paid parental leave (PPL) rules to be made by the Social Services Minister via legislative instrument. These rules are now final, with the Paid Parental Leave Amendment (Adding Superannuation for a More Secure Retirement) Rules 2025 registered on the Federal Register of Legislation 30 June 2025.

The payment is known as the Paid Parental Leave Superannuation Contribution (PPLSC).

The first PPLSC payments for the measure, relating to the 2025–26 financial year, are expected to be made from July 2026.

The ATO will send and recover PPLSC amounts using existing functionality as follows:

- via a super guarantee (SG) contributions message
- using a full financial year in the period dates, the year in which PPL was received
- reporting the ATO's Australian business number (ABN) as the employer identifier

For Member account transaction service (MATS) reporting to the ATO, existing requirements are to be followed. Super funds need to report back PPLSC as originally sent by the ATO, that is as SG with the full financial year period dates and ATO ABN.

Superannuation guarantee compliance approach

Data mismatches – the ATO has plans and strategies in place that will involve future campaign work. We are ramping up our compliance activities and will contact relevant funds that require more attention in this regard. We are aiming to finalise our proactive strategies before the implementation of Payday Super.

Transparency and how we use data – the ATO is aiming to be more transparent in this regard. We want to make best use of the data we currently have, and the data supplied to us from funds. With Payday Super on the horizon, our data usage will increase.

Client account services

The super enquiry service received 1,198 queries during the period 1 February 2025 to 31 May 2025. The main topics were:

- Div 293
- reconciliations and suspended payments
- unclaimed superannuation.

Fund administrators are encouraged to ensure that they send data messages and payments as per the data and message standards. ATO initiated requests continue to increase, with 176 requests created during this period, relating mostly to failed validations, suspended payments and unclaimed super money (USM).

We have recently issued news articles and updated the following web content to address some queries received:

- Avoid errors and delays with release authorities
- Tips for avoiding common errors in member account attribute service (MAAS) and MATS reporting
- New SES features – Team accounts and ATO-initiated requests.

Refer to the Super fund newsroom to search current and archived alerts.

Small Business Superannuation Clearing House

In the lead up to closure of the ATO's Small Business Superannuation Clearing House (SBSCH) we will be working in our frontline area to review any discrepancies on super fund SBSCH payment variation advice remittance roles, as these must be resolved prior to closure.

Fund administrators may be approached for information about specific transactions/payments. In all cases we will provide advance notice of a request for information as soon as possible. No action is required unless we specifically contact you due to a discrepancy that needs to be resolved.

Early release of super benefit approval letters

Fund administrators are reminded to ensure that early release of super benefit (ERSB) approval letters are downloaded regularly to avoid them being archived. ERSB approval letters can be downloaded through Online services for business.

USM 1:1 reporting lodgments

Fund administrators are reminded to send us an SES JIRA request if lodging more than 30,000 USM 1:1 messages (excluding Section 20c responses), to advise the expected lodgment dates and volumes. This will allow us to monitor large files from a system perspective.

Post meeting update – the figure above has been updated from 30,000 to 5,000 after the meeting.

Client relationship service offering and APRA fund survey

Client relationship management

The fund advice and support team within data and services has changed its service offer relating to the client relationship manager functionality for Australian Prudential Regulation Authority (APRA) funds.

The name 'client relationship manager' implies a centralised entry point to the ATO for all fund queries and does not accurately reflect the scope of our service offer.

The fund advice and support team within data and services assist funds with issues related to member reporting via MAAS and MATS.

Funds engage with the ATO via the super enquiry service to seek assistance for most of their superannuation reporting matters.

The frontline client relationship team assesses incoming requests for assistance from funds and directs them to the appropriate resolver for action, ensuring efficient resolution based on the topic and issue raised.

By clearly defining the scope of our service offering, we can deliver a more modern and adaptable solution for funds, ensuring that support is provided efficiently and precisely where it is needed for issues within our remit. This ensures that funds are promptly directed to the appropriate channel, allowing their issue to be escalated to the relevant ATO resolver based on the specific topic.

For matters unrelated to superannuation member reporting matters, funds will be directed to the appropriate channels, such as the Online services for business, to ensure efficient resolution.

Annual APRA fund client experience survey

The annual APRA fund client experience survey has traditionally launched in May of each year and remains open for a 2-week period.

The 'working together' measure will not be reported in the ATO 2024–25 annual report, as a result it has been decided to cease the annual APRA fund client experience survey.

We appreciate and thank you for the valuable feedback provided by previous survey respondents, which has been instrumental in reviewing and enhancing our engagement with you.

Although the survey is no longer active, we encourage you to provide feedback through other forums or working groups.

Other business

Discussion points included:

- SFT and funds continuing to report amendments where required.
- Deactivation of ABNs – ATO reopening of ABNs.
- SFT timelines and SFT protocol contents.

QC 105373

Superannuation Administration Group key messages 12 February 2025

Key topics discussed at the Superannuation Administration Group key messages 12 February 2025.

Last updated 16 May 2025

Payday super

When the government announces the date of the federal election, all government agencies are required to operate in caretaker mode. This

means the ATO must immediately cease consultation on Payday super and any other announced but unenacted measures.

During caretaker, the ATO may continue to consult on limited matters where discussions relate to items under the ATO's existing administration, but no consultation on Payday super will occur.

If you have any questions, please contact the Payday team via paydaysuper@ato.gov.au

Further information is available:

- Payday superannuation. This page will be updated when the Exposure Draft is issues.
- Key messages from the Payday Super Working Group are available here.
- Guidance on Caretaker Conventions issued by the Department of the Prime Minister and Cabinet.

Payday super: SuperStream workshop

A group meeting on the 5th and 6th February was held with the main discussion points including:

- Reviewing updates to the contribution message implementation guide and error schedule to address priority irritants and problems within the ecosystem.
- Currently there are less than 0.5% of rejected contributions. This could extend to 5 to 8% with Payday super timeframes, and funds only having 3 days to return payments that cannot be allocated, down from 20.
- Of the errors today, 99% are the result of
  - members no longer in the fund
  - fund cannot match the member with data supplied or
  - fund cannot accept contributions from that employer.
- A new Member Verification request message is being explored that will allow employers and funds to front-load errors and take corrective action before a payment is made.

- Error messaging is being enhanced and we have reviewed the existing 37 error codes to determine if they are still relevant and helpful for employers/providers. We have found most of the errors are still relevant, with some needing an update in language and definitions, and 5 that are no longer needed to be removed.
- We are looking at how we can ensure the right information is passed through the supply chain to the employer and removing ambiguity and free text.
- Our team is working on timelines and is aiming to share as much as possible before caretaker period commences. Feedback can be received during caretaker period.
- Sequencing for contributions is a large piece of work that we are trying to do prior to 1 July 2026.

Fund validation service (FDS) key points include:

- Significant gain for industry as it provides us with the opportunity to enhance the FVS to deal with existing irritants and remove fields that are no longer required.
- New data will be captured to support transparency of successor fund transfer (SFT) and intra-fund transfer and closing of unique superannuation identifier (USI)s. This will be done by adding a closure reason code and the new funds Australian business number/USI for transferring products.
- This will allow prompting and tracking for employers for high impact changes. SFTs account for half of all errors in the last year.
- New payments platform (NPP) readiness was mentioned. NPP will be included as an approved payment measure. The group will be advised when more details are clarified.
- Fund validation service Get service was mentioned. Earmarked from 1 July 2026.
- Removal of nil certification to be replaced by new certification value 'RESP' as an appropriate and workable solution with guidance to follow.

Members are advised to email paydaysuper@ato.gov.au to share any specific feedback they have.

System in operation – Current environmental scan

It was acknowledged that this is a time of uncertainty for super funds. Any election announcement and subsequent caretaker period will have impacts.

Members of the group have made 15 high level suggestions for improving aspects of the super operating system since August 2024. The main issues relate to commutations, departing Australia super payment online processes, member account attribute service and unclaimed super money reporting, Government contributions sent to super funds and tax file number issues.

It was acknowledged there are limitations from an IT and policy perspective so it was agreed to review this list and identify if there are areas that can be progressed with group input.

To assist with this review and refresh the list for 2025, members were asked to identify issues they would like to be bought to the ATO's attention.

Members are to forward any new suggestions to Darrell Cunnington, via email at Super&EmploymentConsultation@ato.gov.au by 17 March 2025.

Sue Pearce from Aware Super will work with the group chair and determine what items we can address.

Better Targeted Super Concessions

The bills were introduced and read in the senate on 10 October 2024, it may be debated when the senate sits in early February 2025.

> Post meeting update - The bills were not debated.

In 2024 we worked closely with the Better Targeted Super Concessions Working Group to design the administrative solution for this measure.

Since our last update the design decisions that have been made include:

- The existing 'Div 293' and 'DivDef' product type codes in SuperStream will be used for Div 296 release authorities and

release authority statements. This removes the need for a SuperStream change.

- Instead, we will develop a solution that will use a reference number when sending the release authority to the fund which will identify the release authority as a Div 296 release authority (for example, 2514 000 25262 Div 296). When funds respond they will repeat the reference number back to the ATO.
- Finalisation of the additional Div 296 information that will be reported by funds including self-managed super funds and the reporting process.
- Finalising the process for amendments to Div 296 additional information.
- Finalisation of fund reporting of contribution split and family law split amounts.

We are currently working through what consultation with the Better Targeted Super Concessions Working Group will look like for 2025, which will be subject to passage of the law.

Mid-year and economic fiscal outlook 23–24 announcement

Capped defined benefit income stream. Transfer Balance Cap technical changes for a SFT

To date we have successfully remediated most member accounts impacted by this change. We are working closely with the remaining funds to correct accounts which are challenging due to the retrospective nature of the change, particularly where there are reversionary income streams.

The next step for the project will involve completing the final corrections of some data fix work, and verification that the system has correctly calculated the amounts and issued amendments if required. Once these milestones are achieved, we will look to close the project in April 2025. From that point on, any further work to be corrected will be actioned by the ATO business owners.

Superannuation portability arrangements with the Cook Islands.

The intent of this measure is to expand Australia's current bilateral trans-Tasman superannuation portability agreement, allowing

portability of retirement savings between an Australian complying superannuation fund and the Cook Islands National Superannuation Fund.

The Memorandum of Understanding between the Cook Islands and Australia was signed on 13 November 2024. No further updates surrounding the required legislation to support the measure have been received. Legislative change in both the Cook Islands and in Australia is required for this measure to take effect. As a result, no further design or project deliverables are being progressed until there is more clarity with the legislation.

Access to offenders super for victims and survivors or child sexual abuse.

The measure was announced as part of 13 December 2023, Mid-year and economic fiscal outlook announcements. There is currently no project activities underway whilst we await progression of the relevant legislation.

Super on government funded paid parental leave

Work is progressing on the measure with Services Australia. The data exchange payload between agencies has been endorsed, and the system build is commencing for the data feed. Relevant governance surrounding the data exchange including data stewardship, privacy assessments and data ethics is underway.

Services Australia will commence pre-claim activities at the end of March 2025. As such interagency communication products are being developed. The ATO key message is for individuals to ensure their details are up to date with their fund, ATO records and Services Australia.

There is still some outstanding legislative clarification in relation to the paid parental leave rules, which are currently under development. We will continue to move forward and the upcoming caretaker period, won’t hamper any progress. The ATO are still working through the information and communication technology build work, and we will provide more detail to the group when appropriate.

Members will be kept up to date of all matters pertaining to this measure as the project progresses.

APRA funds website content refresh

The content for the Australian Prudential Regulation Authority (APRA) regulated funds is being aligned with the ATO content experience strategy to provide a consistent and clear experience for users of ato.gov.au

The experience focuses on 3 key pillars:

- Findability
- Usability
- Comprehension

The first 2 pillars of this process have commenced which involves the reorganisation of information architecture into primary content and ensuring accessibility for users with varying needs. Regular users may have noticed a different look and feel in how information is displayed, aimed at improving the user experience.

The changes are intended to ensure that content can be found quickly and easily using a wide range of internet search engines, and meet the needs of diverse users, including those with vision impairments.

We are moving into the third phase which involves reviewing our web content to ensure it meets the comprehension pillar of being easily understood and actionable. There are over 180 pieces of content to manage and updates will be made progressively, with an initial focus on popular or critical content. Due to the volume, we will not be sharing tracked changes for each update.

However, for popular content, we will share a news article with a link to the new content and a high-level overview of the changes, like what was recently done for the successor and intra-fund transfer reporting protocol.

Members are encouraged to provide feedback for specific webpages or content improvements, as well as identifying issues that need rectification such as page not found or broken links via the super enquiry service.

Client account services update – Super enquiry service insights

The super enquiry service (SES) received 914 enquiries since our meeting in October 2024. The main topics were:

- Div 293 queries
- suspended payments
- reconciliations
- unclaimed super money.

ATO initiated 103 requests which have been sent to funds since the introduction of this feature into the SES. The majority have been in relation to SuperStream inbound failed validations and suspended payments.

Members should note they will start to see an increase in ATO initiated requests as other areas start to use the service. This feature will not replace other communication platforms such as Online services for business. It is being used primarily to replace emails initiating from within the different ATO superannuation areas to funds.

It is important to ensure team mailboxes are monitored closely to respond to our requests by the due date. We have noticed some funds are yet to create their team mailboxes. If you need assistance, please contact the Client Relationship Team (CRT).

A question was raised about the security of the SES and whether it is appropriate to use this channel for sensitive information such as TFNs. It was advised that the SES is a secure channel for sending member information, but it should be limited to only data relevant for the query and it is preferrable to remove identifiers such as date of birth and TFNs.

SIGBOX is a secure data transfer tool purpose built for government use and is suitable for transferring data such as TFNs and other sensitive information. SIGBOX is our preferred method for transferring data and should always be used if funds are transferring multiple member records.

The main issues the CRT are dealing with include:

- Suspended payments and failed validations - please ensure that you are sending data messages and payments as per the data and message standards.
- Successor fund transfers - please notify us as early as possible, especially if there are accounts to be reconciled. For all parties

concerned, it is easier to reconcile accounts when the unique superannuation identifier (USI) is still active. Once the USI is closed, it becomes a manual, time-consuming process.

- An increase in duplicated or incorrect payments - please be careful when making payments as this does create significant reverse workflow.

Funds receiving ATO refunds - this can relate to other accounts such as income tax. Check Online services for business to ensure that these refunds are not 'other' accounts before lodging a request via the SES.

Other business

Justin Micale discussed the caretaker period protocols when the government calls an election and its likely impact on the timing of the next meeting. He explained that while consultation groups can continue to meet for matters concerning business as usual topics, they cannot discuss any policy related issues.

He advised as many of the current group topics are policy related, further meetings are likely to be postponed until after the election. Members will be notified of the next meeting date.

QC 104907

Superannuation Administration Group key messages 29 October 2024

Key topics discussed at the Superannuation Administration Group meeting 29 October 2024.

Published 16 December 2024

Payday super

We are engaging external stakeholders in co-design around policy parameters of the measure and have formed the Payday Super

Working Group. The group will provide advice on the end-to-end administrative solution for Payday super.

Key messages from the working group will be published on ato.gov.au in line with the ATO Consultation framework. In determining membership for the group, consideration was given to stakeholders with a broad range of expertise and experience across different sectors. For those unsuccessful in their application, there will be further opportunities to participate in other technical discussions and workshops as the program moves forward.

Stakeholders will be kept updated through our various stewardship groups and stakeholder relationship groups, like the Superannuation Administration Group.

Members are encouraged to monitor the ATO's website, newsroom articles, and review the fact sheet published on the Treasury website for the most up to date information.

Payday super: SuperStream improvements

Following the government's announcement and fact sheet released in September 2024, the ATO held a workshop with various stakeholders on 9 and 10 October 2024. Irritants and ideas for improvement that were identified in the June workshop was discussed and we prioritised enhancements to SuperStream for further investigation.

Key focus areas identified within SuperStream included:

- getting the data right
- ensuring error messages are meaningful, timely and useful
- timely return of unallocated payments
- enabling payments through the New Payments Platform
- ensuring SuperStream messaging supports ATO matching processes for superannuation guarantee compliance
- enhancing the Fund Validation Services.

These are dependent on developing a detailed understanding of current issues with SuperStream and error messages as well as transaction volumes to support identifying design improvement and enhancement ideas. We are reaching out to industry representatives to further input.

Group discussion included:

- Feedback or communication and reversion of Guidance notes, which are mandatory and not only a ‘guide’ for funds. Their use aims for consistency of process.
- Can data solutions be used before the committing of expenditure by funds?
- Scenario pack/examples regarding employer contributions are being created.
- Focus area will be error messaging – understanding the issues and solutions available for all stakeholders.
- Clearing houses – what are the main causes of data issues and how we address rectification.
- Insights will allow participants to understand the process and help harmonise errors.
- Successor Fund Transfers (SFT) – currently have a significant impact on error volumes
  - intel provided to the ATO indicate that 20% of errors received by one clearing house were attributed to one SFT this year
  - the ATO has issued a revised SFT protocol and we encourage funds to work closely with us during any SFT process.
- The role of the Superannuation Data Standards Technical Group was clarified. It is a valuable and practical forum that will support detailed SuperStream matters connected to Payday super.

Members were advised to email paydaysuper@ato.gov.au to share any specific feedback they have.

Environmental scan

SFT protocol

A request for the ATO to provide a comparison document to assist funds with easily identifying the changes in the protocol was made. The SFT protocol template format has changed recently, and we agreed to develop and share a document to highlight the key changes made to the protocol.

Member account attribute service reporting

Work between funds and the ATO to ensure transferring fund has successfully closed all accounts reported under the closing Australian business number was discussed. The ATO produces an internal report to ensure there are no open accounts post an SFT. When we identify that the process it is not complete, we contact the relevant funds. Some funds and administrators do reach out prior to an SFT to request assistance with data and reporting.

We encourage early engagement with us when undertaking an SFT.

Engagement

Members queried whether there is an opportunity to obtain intel from Australian Prudential Regulation Authority (APRA) as to upcoming SFTs that would allow the ATO to ensure the appropriate engagement of participating funds is undertaken.

We have previously met with APRA to discuss this situation. It is currently a manual process, and this intel could be provided monthly, but not as they are received. We scan external media for intel on up-and-coming SFT's and contact funds as necessary. We also obtain a list of SFT's that the gateways manage through the GOM and compare with what we have on our register.

We recognise the importance of continual improvement in the SFT process including engaging with APRA.

Departing Australia superannuation payment

Members queried if the current process could be reviewed for the departing Australia superannuation payment. Currently the length of time it takes to finalise a transaction is generating complaints from members to fund trustees, and it's not the fault of the funds.

Is there an opportunity to contemporise without law change, or does industry need to advocate for law change?

The ATO is considering the issue and will share further information with this group when appropriate.

Better targeted super concessions

On 9 October 2024 the bills were passed in the House of Representatives and were introduced and read for the first time in the Senate on 10 October. The second reading and corresponding debate has been adjourned until mid-November.

We are still awaiting the outcome regarding consultation of the legislative regulations. A special purpose working group was formed to co-design the administrative solution for this measure. So far decisions made include:

- Changes to the 2025 Self-managed superannuation return (SMSF) annual return (SAR) are being made to adjust the wording of labels to accommodate the repealing of the term accumulation phase value from the income tax assessment act.
  - Label X1 will be changed from accumulation phase value to 'value of accumulation account'.
  - Label X2 will also be changed from retirement phase value to 'value of retirement account' for consistency in wording of these two labels.
- We will update the SAR instructions.
- For funds that are not a SMSF we will update instructions for the member account transaction service (MATS) business implementation guide (BIG) and the fund reporting protocol.

Division 296

To calculate the Division 296 tax super earnings, the ATO will require funds to report information that is not currently reported. We are finalising what information needs to be reported and will share the results with this forum.

For SMSFs, the additional information will be obtained from the SMSF annual return. For non SMSFs, the request for information process (RFI) will be via Online services for business.

Request for information

As we require a fund's annual member closing balance reporting to calculate an individual's total super balance (TSB) to determine if they exceed the $3 million threshold, we expect to issue the RFI post 31 October.

If an individual is a member of an SMSF and their interest in their SMSF is needed to identify if their TSB will exceed $3 million, the RFI may not issue until the SMSF lodges their annual return.

The due date for an SMSF to lodge their annual return is between 31 October and 5 June.

Fund's will have 10 business days to respond to the Division 296 RFI and we will develop a transitional arrangement for the first year of operation to ensure funds get the support needed.

The Division 296 RFI will be an approved form and funds will be required to amend Division 296 tax information reported within 30 days of becoming aware of changes required.

SFT and Internal fund transfer

When we are advised by a fund that they are closing due to a SFT, we will request the closing fund provide the Division 296 tax additional information for members that have a TSB over a specified threshold. The closing funds will provide this information via the Division 296 RFI process in Online services for business. The SFT protocol instructions will be updated.

We will work with funds that are involved in an intra-fund transfer on a case-by-case basis to obtain the required Division 296 tax additional information.

There is still a significant amount of design work required for this measure, our next priority topics include:

- How Division 296 release authorities are going to work. We acknowledge that a change to SuperStream is a significant impact to industry and are currently looking at whether we can repurpose the Division 293 product code for Division 296.
- We are close to finalising the information funds are required to report to us, and we will share the results with this group once finalised.
- Finalising the changes required to the 2025–26 SAR to accommodate the collection of Division 296 information.
- Designing the Division 296 notice of assessment, election and ATO online screens.

- We are working on the Division 296 tax web content and changes to the existing TSB content so they will be ready shortly after the measure receives Royal Assent.

In summary there is still a substantial amount of work to do in the co-design process, and the ATO greatly appreciates the support of industry as we move forward.

CDBIS – TBC technical changes for a SFT

The following progress update for Capped defined benefit income stream (CDBIS), transfer balances cap (TBC) technical changes for a successor fund transfer (SFT) included:

- we have identified and contacted all impacted funds and continue to work through actions and options for remediation, and assisted those that are able to remediate by re-reporting
- updates to the SFT/IFT protocol document have been published, and updates to the MATS BIG are underway.

We are seeking self-nomination from funds to get in contact with us if:

- your fund has been a party to an SFT
- your CDBIS members were negatively impacted
- you have not yet been contacted by the ATO to discuss remediation.

Changes due to regulatory amendments were discussed including:

- credit in the successor fund will equal to the debit in the transferring fund
- no net impact to CDBIS members TBA resulting from SFT
- regulations in effect from 6 July 2024 with retrospective application to 1 July 2017
- remediate members previously disadvantaged (any advantage is preserved)

The scope of applicable remediation was discussed including:

- updating the credit transaction in the successor fund (equal to debit transaction in transferring fund)

- recalculation of the highest ever TBA balance
- recalculating the TBC indexation
- recess transfer balance determinations revoked, and refunds generated (where excess transfer balance liability assessments were paid)
- fund re-reporting or internal ATO remediation.

The ATO was thanked for their efforts in the remediation process and acknowledged industry stakeholders have been working collaboratively toward successful outcomes.

Superannuation on paid parental leave

The amendments to the *Paid Parental Leave Act 2010* to enact the measure are now law. The first payments of the Paid Parental Leave Super Contribution (PPLSC) will be made from July 2026.

The ATO is awaiting further PPL rules to be made to clarify some parameters for the measure, including the fund hierarchy for payments and interest calculations.

PPLSC system and reporting design considerations:

- PPLSC payments will be treated as concessional contributions and taxed in the fund.
- Payments will be made annually from July 2026, with no identified Payday super impacts.
- The PPLSC payment will be based on the SG rate for each financial year, plus an interest component.
- PPLSC payments will be sent to funds by the ATO, even where the base parental leave pay amounts are paid by employers on behalf of Services Australia.

Member discussion

- Funds agreed that it is beneficial that there is not a wholesale change to current processes.
- Once the PPL rules are finalised, industry would like to be advised as soon as possible.

- Industry feedback is that members may think funds are holding onto their PPLSC payments due to the annual nature of the payments and that it may take 12 months to credit their account. As such, the ATO communication messaging must clearly articulate the process and timeframes.
- The ATO will provide members with details of draft communications where possible.
- The project team is working with Services Australia regarding the communications strategy to ensure consistency of messaging and to manage client expectations.

Super enquiry service insights

The Super Enquiry Service (SES) received 811 enquiries between 1 August 2024 to 25 October 2024 with the top 5 issues including:

- Division 293
- SVS/SMSF verification
- Reconciliations/Suspended Payments/Data Messages/SOA
- MATS
- Unclaimed superannuation.

Suspended payments and failed validations

Suspended payments and failed validations (PVA) continues to be time consuming work, especially when the data message and payment are not sent in accordance with the data and payment standards.

There has been a decrease in suspended payments over the last couple of months, mostly due to system fixes implemented by several funds we have been working with.

Reconciliations

There has been an increase in reconciliations between 1 August 2024 and 25 October 2024, however it is noted that funds are proactively undertaking reconciliations that formed part of messaging in the past.

Funds are encouraged to continue contacting the ATO for any issues or questions regarding PVA and payments.

Super enquiry service

We have commenced creating ATO initiated requests using the new team account function.

Requests will appear in a funds' team mailbox, which is encouraged to be checked often. Early feedback is positive and we thank all funds and administrators who have created the team account and are responding to requests promptly.

The super enquiry service web page will be updated soon to include ATO initiated requests.

Member discussion

Members queried about funds receiving both email and SES initiate requests for the same type of enquiry and the ATO advised this issue will be taken offline and further examined.

We confirmed the super enquiry service will gradually be rolled out across other super products.

QC 103587

Superannuation Administration Group key messages 30 July 2024

Key topics discussed at the Superannuation Administration Group meeting 30 July 2024.

Last updated 10 December 2024

New ATO Co-chair

Australian Taxation Office (ATO) Assistant Commissioner Justin Micale will co-chair the Superannuation Administration Group (SAG) from 12 August 2024.

Payday Super

The ATO is awaiting an announcement from government on Payday Super, which is expected to commence on 1 July 2026. Engagement with industry will recommence once an announcement is made.

SuperStream workshop

A SuperStream workshop was held on 25 and 26 June and was attended by a broad range of stakeholders. The purpose of the workshop was to discuss the SuperStream contributions in operation, identifying existing irritants and potential improvements.

The ATO is consolidating the discussion and feedback from the workshop. This will help identify priority issues for further discussion with industry in more detail.

Workshop participants noted a key issue will be assisting employers and members to understand their call to action and highlighted the need for a review of SuperStream contributions independent of Payday Super.

Better Targeted Superannuation Concessions

A Better Targeted Superannuation Concessions Working Group (BTSCWG) has been established to help the ATO understand the industry impacts of the measure and assist in co-design and implementation.

To date the BTSCWG has met twice and has provided valuable insights that will assist in shaping how the proposed law will be administered.

Feedback relating to changes to the total super balance (TSB) definition included:

- The ATO needs to consider the changes required as an individual's TSB, which is currently attributable to the accumulation phase values of super interests not in retirement phase and the transfer balance of any transfer balance accounts, will now be represented by the TSB value.
- Funds will not be ready to value their members benefits under the proposed regulations in time for the annual member balance reporting by 30 June 2025, a concern Treasury is aware of.

- The changes will impact a range of super calculations for affected individuals, including caps, beyond Division 296.
- The ATO recognises the need to work with defined benefit funds to communicate changes to affected individuals. This poses a challenge as the ATO won't know the TSB changes' impact on an individual until after funds lodge their annual balance reporting.

Feedback relating to Division 296 highlighted the need for additional work by the ATO on the contributions and withdrawals that make up the Division 296 tax calculation.

For Division 296 information requests, the general consensus for self-managed super funds (SMSFs) was to use the SMSF annual return. Non-SMSFs favoured a bulk data exchange through Online services for business, similar to the approach used for COVID-19 recontributions.

The timing and frequency of requests for further information, particularly during peak Australian Prudential Regulation Authority (APRA) regulated fund reporting periods, were raised as importance considerations.

Members also highlighted the need for a transitional approach in the first year and noted concerns have been raised regarding changes needed to SuperStream to accommodate the Division 296 tax release authority process.

The ATO will circulate workshop outcomes to the BTSCWG for review.

Over the coming months, the BTSCWG will hold meetings on specific topics including:

- Division 296 excluded earnings, deferred debts, and request for information reporting and amendments
- Successor Fund Transfers (SFT) and Division 296
- communicating TSB value and how to prepare individuals for this change
- communication products including web content, elections, notices of assessment

Feedback and discussion from the group included:

- The outcomes from the BTSC have been very successful.

- There is a need for tools and guidance to support the financial adviser network to adapt to changes.
- Further discussion on the impact on release authorities and rollovers, especially in-transit rollovers, are planned to determine a sensible solution.
- Technical advice is being sought on whether a variety of contributions and withdrawal types, such as insurance payments, should be included in the Division 296 calculation.

First Home Super Saver scheme

Changes are being made to the First Home Super Saver scheme that may impact some APRA funds from 15 September. The 15 September deployment, with all testing completed, and internal readiness activities being finalised.

New APRA fund specific web content was published on 17 July and included in the Super funds newsroom, see Changes to First Home Super Saver scheme for APRA funds.

Superannuation portability arrangements with the Cook Islands

Treasury is awaiting feedback from the Cook Islands regarding the draft Memorandum of Understanding. Once the agreement is close to being finalised, corresponding legislation is expected to be introduced, as laws must be enacted in both Australia and the Cook Islands for the measure to take effect.

Superannuation on Paid Parental Leave

The ATO is working with Services Australia to prepare the necessary infrastructure for the ATO to commence payments in July 2026. Payments will be made annually and include an interest component. Legislation is being worked through and further updates will be provided in due course.

Transfer balance cap changes for SFTs

Regulation changes to reform the treatment of the transfer balance cap for SFTs came into effect on 6 July 2024 and apply retrospectively from 1 July 2017.

The ATO is currently identifying disadvantaged members and will communicate directly with approximately 20 impacted funds to make the required updates. The remediation process will be worked through on a case-by-case basis. Where a member has been impacted by multiple SFTs, remediation will be done sequentially starting with the earliest SFT.

Members questioned what remediation means for Member account transaction service (MATS) reporting. The ATO took the question on notice and will update the group in due course.

The group noted several SFTs currently underway, with funds encouraged to work with their ATO Client Relationship Manager over the remediation period.

Fraud and security

Intelligence indicates an increase in the number of fraudulent activities impacting funds and their members. This includes accounts created using stolen personal identity information (staging accounts), updates made to existing accounts, and fraudulent rollover requests.

Funds should remain vigilant, enhance the detection of high-risk activities, and minimise their occurrence by:

- applying Know Your Client (KYC) checks for new account openings (especially when created online by an individual) noting the need for changes to anti-money laundering and counter-terrorism laws for KYC to be mandatory
- utilising Multi-Factor Authentication effectively when accessing online portals, making account changes, and requesting rollovers as endorsed in APRA's May 2023 letter
- sharing information with the ATO when suspicious behaviour, data points or fraud are identified to help the ATO assess member situations and take preventative action, information on how to report can be found in the SuperMatch user guide.

Due to privacy provisions, the ATO is limited in the member information it can share.

Data integrity

The ATO will hold a webinar for funds on data quality issues and their impact. Other initiatives to improve data quality include devoting time at SAG meetings to deeper discussion on technical topics. Members noted the amount of time needed for each topic may vary and some may warrant a separate out of session meeting.

The ATO is also trialling a new approach to remediating unlinked MATS, providing funds with a spreadsheet of unlinked MATS with information on why the MATS is unlinked. The process will enable funds to remediate more successfully. It has been trialled with one fund so far resulting in the remediation of approximated 4,500 unlinked MATS. The aim is to roll out this approach more broadly across funds, and more complex issues. Members were supportive of the initiative.

Fund administration

Articles and changes to published web content since the last SAG meeting include:

- Changes to First Home Super Saver scheme for APRA funds Super News, the ATO expressed appreciation for the co-design process which culminated in this article.

Client Account Services and Super Enquiry Service insights

Client Account Services (CAS) are piloting a new feature in the Super Enquiry Service that allows the ATO to email a fund's team mailbox. The initiative is in its early stages and CAS are developing a user guide to support the change. The user guide will be available on ato.gov.au.

Approximately 85% of SuperStream payments are being processed successfully, however the remaining suspended payments require substantial remediation. CAS are trialling validation tests to provide funds better visibility of suspended payments, which are often caused by human error.

Suspended payments will be covered in an upcoming webinar and the SAG's forward work program.

Other business

- Members received a paper with information about the results of the recent APRA fund survey.
- The ATO is considering restarting face-to-face SAG meetings and co-ordinating them with consultation and co-design workshops being undertaken by project teams.
- The group plans to include a technical discussion at the next SAG meeting.

QC 102898

Superannuation Administration Group key messages 28 May 2024

Key topics discussed at the Superannuation Administration Group meeting 28 May 2024.

Published 16 July 2024

Budget 2024–25 overview

Chair, Larissa Evans provided a brief overview of the Budget announcements. There were 2 items of note relevant to the large fund sector:

- super contributions on government paid parental leave
- funding arrangements for the Gateway Network Governance Body (GNGB).

Super on parental leave pay

The measure is for babies born or adopted on or after 1 July 2025.

Eligible individuals will receive an additional 12% (the legislated superannuation guarantee rate at the time) of their government funded parental leave payment as a contribution to their superannuation fund.

The ATO will administer the payments, commencing 1 July 2026.

We will direct the payments to the individual's nominated super fund or will determine the super account based on a legislated hierarchy.

Further details about the intended hierarchy will be available when consultation on the draft law is available.

They will be treated as concessional contributions – no changes at this stage for Member Account Attribute Service (MAAS) or Member Account Transaction Service (MATS) reporting.

Monies will flow through as per normal contribution payments using existing SuperStream channels. As such, funds should not have to build any new systems to support the measure.

The payment will be taxed in the fund at 15% consistent with super guarantee payments.

The payment will be reported as concessional contributions and count towards an individual's concessional contributions cap in the year in which they are received.

Questions and discussion from the group included:

- General Interest Charge – specific details are still being determined.
- Individuals will receive notification from Services Australia that they will be receiving the payment from the ATO. We will also communicate with recipients about the payment, including the amount.
- Earnings – detailed design still being worked on around policy parameters. Project groups are being formed and more information will be communicated when available.
- Consideration is being made regarding fund reporting and recovery mechanisms.

Payday Super

Super on payday is a once-in-a-generation reform requiring a whole new approach not only to how super is paid, but to the infrastructure that underpins the superannuation system, as well as the way employees and employers think about and engage with super.

The government is working through the detailed design of payday super after consultation late last year and we await a further announcement.

We are unable to comment about specific elements at this time, however we will share any information to industry as soon as it is available.

Rebecca Krautz was introduced as joining the ATO Payday Super team.

Better targeted super concessions

The Senate Economics Legislation Committee report on the Bills was released 10 May. Treasury has consulted on the regulations, and we are waiting on the outcome.

We have issued an expression of interest to be part of the Better Targeted Super Concessions special purpose working group to various existing consultation groups, Tax Practitioner Stewardship Group, Superannuation Industry Stewardship Group, Superannuation Administration Group and the Digital Service Provider Groups.

The working group is expected to be established in the coming weeks and will assist in the co-design and implementation of the measure.

Consultation will be based on the existing draft law, with requisite changes to the law being incorporated.

We have held consultation sessions with several external stakeholders to seek feedback on public advice and guidance priorities for the measure.

We are working on web content in preparation of the Bills receiving Royal Assent.

The content will provide general information on the Total Super Balance definition change, as well as the Division 296 tax.

We are working with the Attorney Generals Department to issue relevant communications.

Gateway Network Governance Body

Gateway Network Governance Body (GNGB) were pleased to advise that the 2024–25 Federal budget included some positive news for the Superannuation Transaction Network (STN).

GNGB secured an increase to their funding for the forthcoming 4-year period and an ongoing commitment to a new funding baseline.

This will result in ensuring the continued security, efficiency, and reliability of the STN.

Over the next financial year, the funding will be allocated to key initiatives including:

- Working with Gateway Operators to expand the program of resilience testing within the STN.
- Building on superannuation ecosystem collaboration and cooperation.
- Modernisation of GNGB risk management processes.
- Establishment of a dedicated cyber security capability within GNGB.
- Collaborating with Gateway Operators on transparency initiatives to support industry preparation for the payday measure.

An update was provided on Operation Honey Bee:

- On 23 April, GNGB conducted an Incident response simulation across the superannuation ecosystem. The project was named Operation Honey Bee representing the significance of the honey bee to maintaining a healthy ecosystem.
- Participants included Super Funds, Gateway Operators, service providers, regulators and other government agencies.
- The objective being to explore the ecosystem's response to a significant cyber incident impacting multiple organisations.

Key successes and learnings are currently being documented and a summary of these findings will be shared with the group.

First Home Super Saver Scheme

Legislation is in place for the technical changes to commence as per proclamation on 15 September 2024. This includes:

- Federal Register of Legislation - Treasury Laws Amendment (2023 Measures No. 3) Commencement Proclamation 2024
- Federal Register of Legislation - Treasury Laws Amendment (Miscellaneous and Technical Amendments) Regulations 2024

- Treasury Laws Amendment (2023 Measures No. 3) Act 2023

The updated ATO online system will support the new legislation and allow individuals to:

- make new First Home Super Saver Scheme (FHSSS) requests
- cancel or amend FHSSS determinations
- notify the ATO that they want to make changes to a FHSSS request after the request has been made

The ATO will publish web content for Australian Prudential Regulation Authority (APRA) funds to provide supporting information in relation to the repayment of FHSSS amounts to funds.

Mid-year Economic and Fiscal Outlook

Access to Offenders Super for victims and survivors of child sexual abuse:

- The project has been formally established.
- A high-level solution concept has been costed, and internal funding is pending.
- There has been no receipt of draft law at this stage.
- Design is continuing on the policy parameters that we currently have.
- Due to the government's current legislative agenda, we don't yet have certainty on timing, but are working towards the original timeframes for a start late in 2025.
- We are limited to what we can advise to industry at present but further details will be shared when we have more clarity.

Superannuation portability arrangements with the Cook Islands:

- The project has formally commenced and a project manager has been appointed.
- There has been no receipt of draft law at this stage.
- We are looking at mapping potential problems so we can understand the relevant impacts.

- It is important to note that the MOU arrangements between the Cook Islands National Super Fund and Australia will not commence until law is passed in both jurisdictions.
- There is still a level of uncertainty on when this will occur, which may impact the intended start time.
- We are limited to what we can advise to industry at present but we will share further details when we have more clarity.

Capped defined benefit income stream. Transfer Balance Cap technical changes for a Successor Fund Transfer (SFT):

- Regulations are still in draft and public consultation concluded 24 April.
- A reminder to the group that funds should continue to report on the basis of the current law where an SFT event is occurring prior to the law change.
- We understand that successor funds may not be in a position to re-report, particularly where there have been multiple SFTs, and we are working through these implications.
- Our objective for retrospectively impacted clients is to implement the changes as quickly as feasible, keeping the client experience in firm view, and making the process as seamless as possible.
- We are working to identify impacted funds and clients to refine our understanding of the affected population.
- We anticipate working directly with funds that have retrospectively impacted clients to ensure that funds and individual clients are made aware of the impacts and are advised when updates have been applied to their account.
- We continue to work with Treasury on the draft changes and when the law is confirmed, web content and fund guidance will be updated.

Reporting and data focus areas

Data integrity support:

- As we focus on data quality issues, we are working to increase the precision with which we talk about data quality.

- We use this focus and greater precision to better downstream data users to identify, understand and treat data integrity issues.
- Not all issues which impede our optimal use of data in our products, programs, models and services are ‘data quality’ issues.
- As such we will work with data users to understand in what category their issues are and then deliver or support the appropriate action or treatment.
- Workshops are planned over the coming months to work through data anomalies.
- The table below summarises particular issues and the action, support stakeholders can expect from the ATO Data and Services team.

Item Number	Issue	Potential action / support from ATO Data and Services
1	Reporting is incorrect and not in accordance with reporting requirements.	Strategies to improve entity reporting including communication to direct assurance activity.
2	Reporting is correct and in accordance with reporting requirement but is not achieving business case objective.	As reporting requirements changes can be significant change impost on reporting entities, we first consider if there is any feasible way the ATO can adapt use cases to the data that is available or can change our processes or systems to best utilise the data that we have. If no ATO action is possible, we consider

		what reporting requirements need to change and advise on what size and scale this change would be for reporting entities, advise on how it can be managed and likely industry impact/response.
3	Data issues that will present in data (whether from correct or incorrect reporting) that should be controlled/addressed in our use case/system design.	Support understanding and identification of these issues and help to design appropriate controls.

Fund administration – Intel, insights and communication

Members are reminded of the new SFT form available online and embedded within the SFT protocol.

Many funds are still using the old form which does not provide the level of detail the new form does.

When considering an SFT or an IFT, funds are encouraged to engage with us as early as possible; ideally at least 28 days' notice of your event.

In late April online content was updated regarding Release authorities and included a new problem-solving page to help funds avoid lodgment errors when responding to release authorities.

The updated Release Authority content includes information on:

- timing of responses and negative consequences that could occur for fund members if inaccurate information is reported
- the different types of release authorities and tax treatments
- determinations and notices of assessment, including what can't be disclosed due to privacy restrictions.

Funds are encouraged to review the new content and incorporate it into their business processes.

Client Account Services

Work that is coming through to client account services for action:

- Div293 / RAS issues
- Suspended payments
- Departing Australia superannuation payment online issues for some administrators. – working through these, will need manual intervention until fixed.

There are presently on average 150 activities per day that require intervention:

- The most common error is that there is no Payment Reference Number (PRN) on a payment or the PRN doesn't match what's on the message.
- On occasion the PRN does not transpose correctly – however we have a process to manually correct.

Discussion then centred on whether funds use the original PRN or the refund PRN. The advice is as long as the PRNs match, it does not matter which PRN is used.

PRN anomalies create work for the ATO, and human error is a contributing factor. However, the ATO will continue to contact funds as soon as possible to address issues.

The Chair confirmed the ATO will conduct more in-depth analysis of this issue to manage and mitigate the impacts and understand the root causes. The group will be kept informed of progress and findings.

APRA-regulated fund survey results

There was insufficient time to discuss – called over to next meeting.

Other business

The ATO will be holding the annual Superannuation Industry Simulation event in late June.

Chair, Larissa Evans advised that this will be her last Superannuation Administration Group meeting as she is changing roles and moving to the ATO's Policy and Legislation branch. She has been in this Assistant Commissioner role for the past 5 years and noted that it has been a very rewarding and fulfilling role, and that it has been a pleasure working with such a professional and engaged group of professionals.

Members thanked Larissa for her time and dedication to assisting the superannuation industry during her tenure as Chair.

QC 102778

Superannuation Administration Group key messages 27 February 2024

Key topics discussed at the Superannuation Administration group meeting 27 February 2024.

Published 20 May 2024

Payday Super

In late 2023, stakeholder workshops were held post the release of the Treasury consultation paper and focused on:

- how industry can deal with timeliness and volume of transactions
- how we could improve our digital communication channels and be mindful of data quality
- are there opportunities to support employers when payments are not received by the superfund
- the ATO's ability to review information from employers and funds
- what are the impacts for digital service providers.

The ATO is formulating options to provide to government within the next month, for decisions to be made relevant to the 2024–25 Federal

budget. Following the budget and once policy parameters are defined, stakeholders will be engaged in the process.

We are looking to form a Special Purpose Working Group (SPWG) specifically for Payday Super. It will provide overarching advice on end-to-end administrative solutions. Membership and how the group will be formulated is dependent on final policy parameters. We will update stakeholders through stewardship and stakeholder relationship groups.

Questions and group discussion

Can any information be shared prior to the budget announcement?

The ATO will share relevant information as soon as practicable after the budget. The Payday Super SPWG will be a key forum for information sharing.

Reversioning of SuperStream

Before committing resources and funds, government policy direction is needed. We understand this is a major issue for the stakeholder group, as such any feedback on irritants and issues from industry is welcomed.

Employer group feedback

The ATO advised that other stewardship groups have provided feedback on this matter. The main themes are:

- resolution of system complexity
- the Superannuation Guarantee Charge (SGC) is inflexible within the current system
- employers need earlier advice if an SG payment has not been made
- increased costs and administrative requirements in meeting obligations.

First Home Super Saver Scheme

Key points discussed included:

- First Home Super Saver Scheme (FHSS) technical amendments are being progressed with updates to ATO systems and ATO Online, to

support the measures new functionality.

- The process of returning FHSS amounts to super funds will be managed outside SuperStream.
- The varying or revocation of Release Authorities will not disrupt SuperStream interactions between the ATO and super funds.
- The technical changes have a current start date of 20 September but there is a provision to commence law by proclamation which may move the date forward a few days. This will be confirmed later this year.
- Project team continues with system builds that is impacting the individual experience.
- Guidance notes are also being developed to assist stakeholders.
- The ATO has been working with ASP regarding the return of monies process and are developing material to assist.

Member comments

Industry is looking forward to the end solution, and a facts and questions support document with definitive detail would be welcomed. This would help alleviate questions from industry stakeholders.

Is a timeline available for when support material will be published on ATO Online, as relevant information will be required to be disseminated to all funds so procedures and processes can be updated?

The ATO advised that systems are currently being built with testing continuing into the next couple of months. Support materials will be distributed for initial feedback. We are aware that the broader fund audience, and just not this group need to be advised and engaged.

Post meeting comment – Proclamation has been given and the measure will commence from 15 September 2024. Refer to Federal Register of Legislation Treasury Laws Amendment (2023 Measures No. 3) Commencement Proclamation 2024

Better Targeted Super Concessions

Key points discussed included:

- Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Bill 2023, and the

Superannuation (Better Targeted Superannuation Concessions) Imposition Bill 2023 were introduced to Parliament on 30 November 2023.

- On 7 December 2023 they were referred to the Senate Economics Legislation Committee for inquiry, with a report due 10 May 2024.
- The closing date for submissions to this inquiry was 23 February 2024.
- Draft regulations for this measure have been released with a consultation period of 15 March to 26 April 2024.
- We have been working with stakeholders to determine the priority issues and identify where public advice and guidance is needed to assist industry to understand and implement the new law.
- We are also considering the administrative options for this measure, and a communications strategy is being formulated.
- Consultation with key external stakeholders will be facilitated by the formation of a SPWG once policy parameters are finalised.

Member comments

Regarding Total Super Balance (TSB) – if the measure changes the valuation methodology, there could be significant code changes required for non-account-based pension products.

Noting that there is a lot of focus on draft law and regulations at this stage, the ATO will continue to engage with industry on further details.

Super access for victims and survivors of child sexual abuse

Key points discussed included:

- The government will allow victims and survivors of child sexual abuse to seek access, via a court order, to additional personal or salary sacrifice superannuation contributions made by the offender.
- No start date has been announced however, it is expected to commence late 2025 and will be confirmed once law progresses.
- Victims will subsequently be able to seek an order from the Federal Circuit and Family Court of Australia to access any additional super

contributions made by the offender.

- A victim can then apply to the ATO to request the court order-directed amount to be paid from the offender's relevant super account.

Member comments

We are looking to implement a low-cost solution for stakeholders via a release authority.

Projected numbers who will utilise this measure are low.

Victims' confidentiality is a concern.

The ATO is working closely with the courts and waiting for legislation.

Industry will be consulted on the visibility and payment process over time as the law is developed and the project progresses.

Cook Islands superannuation portability

Key points discussed included:

- The Australian Government will support a reciprocal superannuation portability arrangement with the Cook Islands. This will enable the transfer of superannuation from Australian superannuation funds to the Cook Islands National Superannuation Fund (CINSF), commencing 1 July 2025.
- This measure would see the development of a separate bilateral agreement to expand Australia's current bilateral Trans-Tasman superannuation portability arrangement.
- It will allow the portability of retirement savings between an Australian complying superannuation fund and the CINSF.
- The projected numbers utilising this measure are assumed to be small.
- Many of the parameters are currently unknown until draft law is received and the bilateral agreement is produced.

Member comments

Industry agreed this measure will have a large impact for funds, with relatively low volumes expected.

Department of Foreign Affairs and Trade and Treasury are working closely with the Cook Islands Government.

There are similarities between this measure and the Kiwi Saver product.

The Intent of the measure is to keep relevant monies within the super system.

Transfer balance cap changes for individuals impacted by SFT

Key points discussed included:

- The intent of this measure is to ensure individuals with a capped defined benefit income stream will not be adversely impacted by mergers or successor fund transfers (SFT). This can occur when the transferring fund and the successor fund have calculated different values for the same income stream.
- Retrospective application – back to 1 July 2017.
- Law is currently being developed to give effect to the measure, and we are anticipating a public consultation period will commence when practical.

Member comments

Initial industry feedback is that the retrospectivity of the measure may cause funds challenges.

At present, the ATO can only advise to proceed with SFT reporting based on the current law.

After public consultation, we will provide whatever guidance we can to assist funds.

Engagement and Assurance campaign

The ATO Engagement and Assurance focus for the next three months will include SuperMatch annual statement of compliance obligations, and data integrity issues.

Funds are reminded that their SuperMatch annual statement of compliance was due by 28 February 2024. We will contact funds that

haven’t met this requirement.

Funds who do not provide their statement of compliance by the due date may have their access to SuperMatch switched off.

We are seeing unlinked Member Account Transaction Service (MATS) causing transactions not being linked to a member, and Member Account Attribute Service (MAAS) status date issues causing closed accounts to incorrectly display as open.

Funds should ensure they follow the MATS Business Implementation Guide (BIG) to prevent issues with unlinked MATS, and the MAAS BIG to ensure accuracy around status dates.

We will continue to work with identified funds throughout the coming months to obtain insights into the reasons for these reporting issues. Where appropriate we will be looking to understand what mitigating actions funds will adopt to prevent future data integrity issues.

Strategies to improve data quality

Key points discussed included:

- The ATO is focused on improving superannuation fund member reporting. This information is essential to the operation of the superannuation system.
- The data is used by over 20 ATO products, such as correctly calculating an individual’s contributions caps, employer superannuation guarantee compliance, and the display of member information to ATO Online.
- Quality data has always been essential to the operation of the superannuation system. It is as true as ever with an increasing real time reliance on data, to give effect to new and better ways of managing super grantee compliance as we move towards Payday Super.
- To build on the good work to date and to achieve continued improvement as we mature the superannuation system, we will be working with the superannuation industry over the next 6 to 12 months on improving the timeliness, completeness, and accuracy of the data reported to and held by the ATO.

Our work will focus on:

- increasing the profile and understanding of the importance of quality reporting for member outcomes via
  - Profile - member reporting governance focus through the ATO's Top 1,000 Combined Assurance Review (CAR) Process
  - Education - industry education on how data is used and consumed in ATO systems and administration
  - Compliance - principles and strategy.
- Addressing known data quality issues to improve the quality of data holdings through
  - Triage and analysis - identifying issues that need to be addressed now, and working internally and with industry to establish processes to deal with known quality issues
  - Campaigns - increasing the level of direct engagement through campaign work to improve reporting performance for some funds
  - Policy/law - influencing changes and legislative requirements or reporting standards to assist in addressing data quality issues.

Member comments

The ATO will soon host a Webinar:

- to examine the impacts and opportunities that will flow to individuals
- on how ATO systems will consume and utilise the increased data flows
- to examine the supply chain of how data gets sent to us
- with a focus on dates, integrity of data reporting and system solutions.

The Public Groups CAR program is continuing with approximately half the fund population within the Public Groups Top 1,000 population having been engaged in the program.

The ATO is preparing information about our compliance strategy which will be discussed at the next meeting.

Fraud and Security

Key points discussed included:

- The ATO has seen an increase in attempted impersonation fraud, particularly involving individuals who have met or are approaching preservation age. This is where a fraudster attempts to update key contact information through webchat or over the phone with the intent of taking over the members online account, leading to unauthorised benefit claims or account rollovers to another fund.
- We strongly encourage funds to ensure they have processes in place to identify high risk transactions and have additional controls in place at least for those transactions.
- Key controls identified by the Fraud and Security Working group include Know-Your-Client and Multi-Factor Authentication.
- The ATO recommends ongoing vigilance and monitoring of online activity accounts for automated or bot-like activity. Refer to SuperMatch Alert 39/2023.

Member comments

Fraud and security will continue to be a topic of interest for the Superannuation Administration Group membership. Feedback received was that it is important to hear industry trends, discuss shared experiences across the ATO and industry, and what is occurring at an aggregate level.

The changing of member details using webchat has been identified as a risk. Funds were reminded they are best placed to implement appropriate controls and risk mitigation strategies. The SAG is an appropriate forum for members to share insights and information pertaining to this topic and other high-risk fraud and security matters.

Fund administration

Successor and intra fund transfers data quality

During 2023 we supported funds and administrators through 34 SFT / Intra fund transfers.

Insights gained highlighted some common issues across industry, mostly relating to data quality post-SFT. For example, there are a significant amount of open member accounts still in the system.

Two key reasons identified for ineffective closures are:

- Incorrect account status date reporting - is where funds are reporting the closed MAAS with the account status date field earlier than a previous MAAS. ATO systems will not consume the date and the account remains open.
- Incorrect time stamp - is where a fund submits a MAAS to close the account and the timestamp is prior to a previous timestamp. ATO systems will not process the MAAS as our system will not accept it as the latest update of the member account.

Where possible, we'll be working with affected funds to remediate open accounts. However, there is further work to do on the approach to take where an Australian Business Number (ABN) has subsequently been cancelled post-SFT.

Fund communications

The refreshed ato.gov.au website is live and features a refreshed design, enhanced search functionality and streamlined navigation for a more user-friendly experience.

Content, tools, and calculators on the new website remain unchanged, and redirects have been implemented to ensure that the existing links are intact.

Section 20c notices

Twice a year Super CRT alerts are issued to funds notifying when the ATO will commence issuing s20C notices.

In future, the ATO will no longer utilise this channel and will notify funds through our Super fund newsroom.

The subscriber list for Super News provides coverage for approximately 10,000 subscribers.

Bulk stapling service decommissioning

The bulk request stapling service for employers will no longer be decommissioned in March 2024 but may be decommissioned in the future.

All impacted digital service providers have been contacted individually and ato.gov content was updated in early February, advising the service is continuing.

News articles

News articles have been published across various sectors including:

- Tax professionals' news
- Business bulletins
- Digital service providers news
- Super news and SMSF news.

Member comments

- ABN cancellations
  - Industry feedback was to preference keeping an ABN live. For example, closing an ABN for GST/Tax purposes but keeping the ABN live for member reporting. We will look at amending the SFT protocol, with industry assistance and input. We will consider this feedback as we work through the best approach to manage reporting post SFT.
- SFT discussion
  - Limited service period issues and ineffective closures. We will review and update our guidance where appropriate.
  - Feedback from industry will help inform education content such as news articles, guidance, and direct messaging about getting it right. There are no planned updates to the SFT protocol at this point, specifically relating to this work.

Client Account Services

From 1 January 2024, there have been 586 enquiries received via the Super Enquiry Service.

Three key topics were:

- Suspended Payments and Failed validations – ensuring the data message and payment are sent as per data and payment standards. Timeframes are critical in resolving issues for suspended payments. We ask that responses are provided within the relevant timeframes to allow us to rectify these as quickly as possible.
- Reconciliations – proactive reconciliations by funds are key, especially prior to SFTs. This includes reconciliations for ATO

accounts. Where there is a SFT occurring, funds are to notify the ATO in advance and ensure there is a contact for the fund.

- Incorrect/duplicate payments – being mindful when making payments for SuperStream (including release authorities) as any duplicate and/or incorrect payments trigger refund requests, this causes significant reverse workflow.

APRA fund client experience survey

The ATO is launching the annual Australian Prudential Regulation Authority (APRA) fund client experience survey on Monday 29 April 2024, key points are:

- The survey will run for 2 weeks and close Friday 10 May 2024.
- It is estimated to take approximately 10 minutes to complete.
- The survey is open to anyone working within the large super fund industry.

The survey is designed to:

- gather feedback on how effectively the ATO and the super fund industry are working together to administer the super system
- help us understand how we can improve our services and engagement with industry.

A Super news article will also issue to support this initiative and stakeholders are encouraged to share the survey with industry colleagues.

QC 102074

Superannuation Administration Group key messages 30 October 2023

Key messages from Superannuation Administration Group meeting 30 October 2023.

Published 25 January 2024

Welcome and opening remarks

Alastair Ramsay opened the meeting with an acknowledgment to country and welcomed new members, Sean Fannin, GBST, Aine English, SS&C Administration Services and Kirsten Samuels, Financial Services Council.

Member expectations were discussed, for example not to disseminate papers outside of the group and members were advised to refer to the recently distributed charter for more information.

Payday super

Industry members were encouraged to respond to the recent Treasury consultation paper. We are keen to obtain industry views and concerns.

In June and July of 2023 stakeholder consultation workshops were held.

Focus of these groups was primarily ATO administration of the announced policy, challenges, and options for policy implementation. The key topics discussed were:

- data quality, accuracy and timelines of information provided by employees
- existing issues regarding choice of fund (stapling) processes
- inconsistency around Single Touch Payroll (STP) and SuperStream data, leading to validation issues
- speed of payments
- time frames for error response messages and adjustments
- increase of data volume (up to 12 times more often than current)
- current penalty regime
- employers still having issues regarding calculation of Ordinary Time Earnings (OTE)

- support for more frequent payments and information flows
- how to minimise associated costs for end users
- what is achievable up to the commencement date of June 2026
- how do we monitor the compliance component of employers meeting their super guarantee (SG) obligations
- how can we improve the employer experience
- how can the employer extract the relevant information from ATO systems
- some items may also need policy changes to be progressed to Treasury.

Feedback and member discussion

- The stapling service and election of Choice.
- Choice paper forms and hierarchy.
- Integrated service improvements
  - can we integrate the employer and employee service
  - ideas and options are being explored with industry.
- Returned data – raises issues with member identifiers. Tracie Crowden reiterated this is an opportunity to reset and clean up held data.
- OTE calculations – ATO are considering whether any options are available to reduce complexity.
- STP reporting – adjustment solutions and mechanisms were discussed. It was agreed that more detailed design is required.
- SuperStream and potential updates to guidance notes and Binding Implementation Practice (BIP)s.
- Is now the right time to reversion the contribution message and make necessary changes.
- Reconciliation processes discussed – what's required to avoid superfluous data input.
- Registration process should be different to contribution process.

- New Payments Platform (NPP) – consideration of making this an approved payment method.
- Bulk Electronic Clearing System (BECS) retirement timelines.
- Member Account Attribute Service (MAAS) and Member Account Transaction Service (MATS). Is there an appetite from industry to change/review?
- Delta utilisation to be reviewed.
- Superannuation Industry (Supervision) Regulations 1994 (SISR) – allocation timeline requirements. Legislative/policy change may be needed through Treasury. Payday Super applies to SG only – however we are unable to comment further at present.

Next steps

The ATO is planning a deeper dive with industry – what changes are feasible, achievable and viable.

Industry consultation will continue into November. There is still a substantial amount of work to be done, the aim is to provide the government decision makers the requisite information to seek wide ranging improvements.

Industry members can email PaydaySuper@ato.gov.au to be involved in the consultation process.

Expanding the use of STP data, managing SG non-compliance

The data build bringing together STP and super fund data is progressing well and on schedule.

A new nudge correspondence has been developed which will replay back to the employer information they have reported via STP.

The nudge correspondence was extensively user tested with feedback incorporated from internal and external stakeholders including:

- Small Business Stewardship Group
- Superannuation industry
- Communications Content Working Group

- Small Business Ombudsman and the ATO Small Business Consultative forum.

The letter outlines what an employer needs to do. Most importantly to check their records and confirm the data they reported to the ATO is correct.

We have been working with our internal data stewards to refine the process. We will not take any automated actions, for example automated assessments.

We will always take steps to engage an employer directly before any further actions are taken if there is no response to our correspondence.

We will be conducting a small-scale pilot process, and the correspondence will not start being issued until we have fully tested the data set. The aim is to have the new nudges issuing towards the end of 2024.

Data Quality

The increasing importance of data quality reported to and held by the ATO is fundamental to the efficient operation of the superannuation system.

The data reported is utilised by over 20 products within the ATO, such as correctly calculating individual's contributions caps, employer superannuation guarantee compliance, and the display of member information on ATO online.

Quality data and the reliance on reported data is essential to the successful operation of the 20 products across the ATO. The PayDay Super and the Better Targeted Superannuation Concession proposed measures highlight the importance of continuing to work to improve the quality of data.

We recognise that the superannuation reporting system is interdependent and working together with industry is paramount. As such we will be providing a webinar early in 2024 on the use of data within the ATO and its links to the various calculations.

We are currently developing a data quality improvement strategy which we will seek stakeholder input. The strategy will include:

- reducing the number of unlinked and unmatched transactions
- accounts correctly open or closed in ATO systems
- identified data quality issues from data matching for superannuation guarantee.

Shane Moore explained the role of the data stewardship teams within the ATO and reiterated the interconnected nature of this work making it crucial that all areas work together.

The ethical use of this data was discussed, and how we will use it for our nudge campaign.

Member discussion

- Correct opening and closing of accounts is vital.
- A webinar is planned for February 2024 to explain the downstream use and impacts of member reported data.
- Release authorities and MAAS/MATS interaction.
- Better Targeted Super Concessions was touched on regarding Division 293 interaction
  - Successor Fund Transfers (SFT) and defined benefit member impacts. There is a lot of complexity around this issue. We will engage further with industry when policy and legislation has been finalised.

Better Targeted Super Concessions

The Better Targeted Superannuation Concessions measure was announced in the 2023–24 Federal Budget on 9 May 2023.

The intent of this change is to improve the equity and sustainability of the super system by reducing the tax concessions available to individuals with a total super balance exceeding $3 million at the end of the financial year.

It is likely to impact around 80,000 individuals in 2025–26, or approximately 0.5% of individuals with a superannuation account.

99.5% of people with superannuation will not be impacted by this change.

Treasury consulted with industry on the measure post announcement and recently released Treasury Laws Amendment (Better Targeted Superannuation Concessions) Bill 2023 and the Superannuation (Better Targeted Superannuation Concessions) Imposition Bill 2023 which ran for public consultation from 3 to 18 October 2023.

This change will impact members of large funds, SMSFs and Defined Benefit Funds.

The measure will be called Division 296, will start on 1 July 2025, and will apply from the 2025–26 financial year onwards.

It will apply to individuals with a total super balance over $3 million at the end of the 2025–26 financial year onwards.

These individuals will be subject to a tax of 15% on the proportion of earnings attributable to the balance over $3 million.

Individuals with a total superannuation balance of less than $3 million will not be affected.

The change does not place a limit on the amount of money an individual can hold in super and the current contribution rules still apply.

Member discussion

- The irritants industry presently has around Division 293.
- We do not want to exacerbate issues regarding Division 293 following on to Division 296.
- The use of the Division 293 release authority. This issue has not yet been determined; the aim is for minimum impact to funds.
- As soon as we have greater intent and policy direction, there will be wide ranging industry consultation. The co design process is paramount for this measure.
- We are currently working through the design of Division 296 tax and its impacts on individuals, funds, and tax professions. Once policy parameters are finalised, we will consult with key industry stakeholders and this group.
- For any further information or to contact the project team, email BetterTargetedSuperConcessions@ato.gov.au

First home super saver scheme – Technical changes

The technical changes to the first home super saver scheme (FHSSS) received Royal Assent on 20 September 2023, with a commencement date of 20 September 2024.

The ATO is currently consulting on the administrative approach to law implementation which will require:

- individuals to contact the ATO to amend or revoke their FHSS release request
- if eligible, released amounts held by the ATO will need to be returned to a superannuation fund
- communication between the ATO and funds in relation to these payments.

The anticipated volume of amended or revoked FHSS release requests is low. As such the ATO's proposed policy approach is to minimise impacts on superannuation funds when returning FHSSS amounts, and to only seek the component details where the originating superannuation fund is unable to accept the money being returned.

The components of amounts released will be required to ensure the correct treatment of released funds when returned to an alternative superannuation fund.

Member discussion

- Release authority refund process – what is the default position.
- Hierarchy of returns – components of the following released amounts
  - Eligible Service Period
  - Tax components
    - Tax-free component
    - KiwiSaver tax-free component
    - Taxable component – taxed element
    - Taxable component – untaxed element
  - Preservation amounts

    - Preserved amount
    - KiwiSaver preserved amount
    - Restricted non-preserved amount
    - Unrestricted non-preserved amount
- We are forecasting several hundred requests per year
- Payment reference number, traceability, revocations and recontribution issues were raised.
- Technical issues will be discussed further between industry and the ATO.

Fraud and security

Superannuation Industry Stewardship Group (SISG) Fraud and Security Working group update:

- Following large scale data breaches involving Optus and Medibank, the SISG established a Fraud and Security Working Group.
- This working group was tasked with understanding the impact these data breaches present across a members superannuation lifecycle and how they could be addressed.
- In the initial phase of the working group, members identified several opportunities that could be considered to address increasing vulnerabilities across the super lifecycle from compromised identity information and documents.
- The working group identified those priority opportunities to complete a more detailed assessment of what would be required to implement
    - proof of identity for key transactions – account opening and rollovers
    - multi-factor authentication for key transactions – changing details and significant transactions, such as rollovers or benefits
    - improved information sharing across industry and regulators.

The SISG recommend funds consider introducing Know Your Client (KYC) for accounts opened through online channels and that funds consider introducing Multi-Factor Authentication (MFA) in line with the

principles set out in the letter issued by Australian Prudential Regulation Authority (APRA) to all their regulated entities on 26 May 2023

The ATO is considering if, how, when existing services could be extended to sharing additional information with funds and administrators to help identity and protect their member accounts from potential harm.

Member discussion

- Continuing staging account activity and subsequent SuperMatch Alerts (43 so far this year).
- Intelligence indicating new online account creation has been seen with automated/bot like activity.
- In response, the ATO issued SuperMatch Alert 39/2023 recommending web-application firewalls and fund controls are up to date.
- Funds were encouraged to heighten monitoring of their online channels for this type of activity and advise the ATO if any of this activity was identified.
- APRA has issued a letter to Trustees and their risk officers around system vulnerabilities identified in the SISG fraud working group.

Funds are encouraged to email sprenablingservices@ato.gov.au for any super fraud related issues.

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