



Superannuation Administration Group

Access information from meetings of the Superannuation Administration Group.

Superannuation Administration Group key messages 29 October 2024

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

Superannuation Administration Group key messages 30 July 2024

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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.

Funds 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.

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

Last updated 10 December 2024

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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.

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Superannuation Administration Group key messages 28 May 2024

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

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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.	<p>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.</p> <p>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.</p>

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.
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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

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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

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

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Fraud and security

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 identify 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.

QC 73804

Superannuation Administration Group key messages 28 February 2023

Key messages from the Superannuation Administration
Group meeting 28 February 2023.

Last updated 19 July 2023

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Welcome and opening remarks


Update on changes impacting funds

Expanding the use of STP data to address SG non-compliance

Tax time health check

Transfer balance cap indexation

Calculating entitlements to indexation



Fund engagement updates

Other business

Welcome and opening remarks

Larissa Evans opened the meeting with an acknowledgment to country, welcomed those in attendance and introduced ATO Assistant Commissioners Naomi Westwood and Michelle Allen.

- Lauren Doel is leaving BT Financial, and Larissa thanked her for her contribution to the group and welcomed Nick Mensforth who will be BT's replacement.
- Ian Roberts from ART will be leaving the SAG, to join the Large Business Stewardship Group. Thank you to Ian for his input to the group over the years.
- Bill Korras to speak who announced one of the long-standing ATO CRT team members had sadly passed away. The group acknowledged this and offered condolences to team members and family.

Update on changes impacting funds

Cyclical changes upcoming for the 2023-24 financial year include:

- SG contribution rate increasing to 11%
- defined benefits income cap
- transfer balance cap
- total super balance for non-concessional contributions and co contributions
- CGT lifetime cap.

Plus, anticipated rate changes upcoming over the next few months regarding:

- surcharge
- Division 293
- unclaimed money credit interest

- excess non concessional associated earnings.

1 July 2023 is a key date for changes to occur.

Expanding the use of STP data to address SG non-compliance

The introduction of a corporate initiative that aims to expand the use of STP data to create a transparent view of employees' superannuation guarantee for all funds and all employers in one place which allows the ATO to follow up employer non-compliance more proactively.

The ATO is enhancing the matching of data received from STP and Member Account Transaction Service (MATS) reporting from 1 July 2018. The ATO uses this data today, however this work will enhance it and store the data set differently, so that it can support future improvements and address pain points.

The improvements have been designed to allow the ATO to follow up on employer non-compliance more proactively. The ATO will also be better positioned to help and support employers, however we will continue to maintain a low tolerance for employers who are not doing the right thing.

Tax time health check

The ATO is undertaking a tax time health check process this year. Tax time is seen as a natural touch point and a good opportunity to encourage individuals to do a quick review regarding:

- are their contact details correct?
- does their balance seem accurate?
- do they have any lost super accounts?
- how many super accounts do they have?
- do they want to consolidate multiple accounts to save on fees?
- do they have a nominated death benefit beneficiary for their super fund?

The ATO will be targeting self-preparers and agents, by utilising various marketing and communications strategies. This will be a step-

by-step process. Communication products and materials will be shared with industry before deployment. This is the first time the ATO has tried such an initiative and we look forward to further interaction and seeking feedback from industry. Messaging could be tested with this group initially in an out of session meeting.

Transfer balance cap indexation

On 1 July 2023, indexation of the general transfer balance cap (TBC) is due to occur. This is based on the consumer price index rate for December 2022 and the TBC will index from \$1.7 million to \$1.9 million.

The defined benefit income cap (DBIC) will also index from \$106,250 to \$118,750 and will apply from the 2023-24 financial year. The tax offset will change from \$10,625 to \$11,875.

An individual's highest ever account balance in retirement phase and available cap space will be used to calculate their entitlement to the increment.

We recommend that funds ensure all transfer balance account reports for the 2022-23 financial year are lodged by 30 June 2023, as any delays in reporting will impact the calculation of individual's personal transfer balance cap increments.

Indexation of the general TBC will have flow through consequences to total superannuation balance (TSB) that then flow to non-concessional cap, non-concessional bring forward arrangement, spouse tax offset and co-contributions.

An individual's transfer balance account will be displayed from mid-July on ATO online services on MyGov.

Calculating entitlements to indexation

ATO will calculate an individual's entitlement to indexation based on information reported to us by funds in the transfer balance account report (TBAR).

Articles have been published in Super News and SMSF News to communicate these changes.

Fund engagement updates

The Super Enquiry Service continues to work well.

There have been over 400 enquiries in the last 30 days with the majority relating to MATS and SMSF Manual Verifications.

We are currently looking at the outbound feature and ATO internal security and will advise the group when it is up and running.

ATO will continue to monitor use of the SuperMatch service and engage with funds when any concerns are identified. Recent activity gives us the opportunity to remind members they have requirements in the terms and conditions of use to ensure adequate monitoring of their ongoing compliance. Trustees were reminded that any change to their solution or the way in which it is offered requires notification to the ATO and possibly a further application process.

Additionally, failure to provide the annual statement of compliance is a breach of the service terms and conditions. If a trustee identifies any breach of these terms and conditions, they must:

- immediately advise us of that breach in writing to SPREnablingServices@ato.gov.au
- immediately stop using the SuperMatch service
- not use the service again until we advise otherwise.

We encourage trustees to continually review their approach to SuperMatch monitoring by actively testing the effectiveness of controls and identifying opportunities to strengthen processes. This will ensure compliance with all aspects of the terms and conditions of use and the user guide is maintained.

In 2022 we discussed opportunities to work more closely with industry to develop a set of monitoring principles for the service. This work was delayed due to other emerging issues across the sector. We are reviewing our approach and updates of progress will be provided at future SAG meetings.

Other business

Agenda items that were addressed through papers for this meeting.

- member reporting
- campaign update

- Your Future, Your Super update
- update on SISG Fraud Security working group
- focus areas for 2023 SAG meetings.

Other business raised:

- The choice form is scheduled for publishing in April.
- MATS balance reporting, inaccurate data and closed accounts. We have teams working with impacted funds on these issues as an ongoing programme of work.
- Incomplete release authorities revoked and not actioned. Larissa advised this is good intel and our teams will look into these issues.
- Forward focus areas for 2023 SAG meetings. Members agreed this was a good initiative. Tracy Holloway will contact the group and ask for each members top 3 topics in order. Responses will help shape forward meetings.
- Scheduling of the large APRA regulated super fund client experience survey in May.
- Possibility of conducting an upcoming SAG meeting face to face. We are considering conducting this for the June SAG. More detail and placeholder to follow in due course.

QC 73050


Superannuation Administration Group key messages 18 April 2023

Key messages from Superannuation Administration Group meeting 18 April 2023.

Last updated 23 May 2023

On this page

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- Changes impacting funds
- Member Data Governance review
- Campaign update
- Your Future, Your Super
- Fraud and Security Working Group
- Fund engagement
- Successor fund transfer
- Other business

Key messages from Superannuation Administration Group meeting
18 April 2023

Welcome and opening remarks

Larissa Evans opened the meeting with an acknowledgment to country, welcomed those in attendance.

The Superannuation Administration Group (SAG) charter was shared with members for endorsement on the terms and conditions. The Charter was accepted with no changes or objections.

Changes impacting funds

The Change Integration Office advised the ATO is working with Treasury regarding the co-design of the Better Targeting of Tax Concessions measure.

The federal budget is a few weeks away and we will advise the group of any item that may arise and is of relevance.

Member Data Governance review

Work has begun to leverage our PGI existing combined assurance reviews (CARs) to explore the level of governance funds have over their member reported data.

The fund responses may inform principle-based guidance that could outline a minimum standard of governance and be supported by best practice examples.

The four main governance areas under review are:

- Governance frameworks
- Data collection and protection
- Mergers or Successor Fund transfers
- Change Management.

Member comment

A question was asked about the numbers of funds that have been reviewed as part of the PGI Top 1,000 programme. Tracie Crowden advised approximately 17 at this stage. Reviews are commenced at a staggered pace as case officers become available to undertake them and it is expected the program will continue to run through this calendar year.

Campaign update

The ATO Engagement and Assurance focus for the next three months will include release authorities and unclaimed superannuation monies (USM).

We will work with funds to rectify issues identified as part of our ongoing release authority program relating to excess non-concessional contributions (ENCC) default elections.

Identified funds will be contacted in the coming weeks and will be required to provide assurances about systems and processes they have in place to ensure accurate release authority responses.

During the USM campaign undertaken by the ATO for the previous due date of 31 October 2022, the most common mistakes made by funds included:

- the use of incorrect unclaimed money day
- the use of incorrect USM codes to properly identify the type of unclaimed money reporting
- the USM data message submitted did not correspond with a payment reference number (PRN)
- a failure to submit a non-lodgment advice if no USM had to be reported.

Funds were reminded that the lodgment due date of 30 April 2023 is fast approaching for outstanding USM obligations.

Campaign activity will commence after the due date of 30 April 2023, and we will engage with funds that have not met their USM reporting obligations.

Member comment

Question raised about the abolishing of red tape in our processes and whether that extends to the USM non-lodgment advice. Larissa advised this requirement is legislated and there are no plans to change this.

Your Future, Your Super

Stapled Fund Phase 2

The wholesale solution remains on track to be available for digital service providers (DSPs) to connect to from late April 2023.

Once DSPs build and connect to the service, the wholesale stapled fund solution can be integrated directly into their business software for employers to use.

Availability has been promoted via the ATO's DSP newsletter on Thursday 13 April, with further engagements and communications planned over the coming weeks.

Initial onboarding of DSPs may be incremental over the following 4 to 6 months due to software developer focus on tax time initiatives and other internal priorities.

ATO Standard Super Choice Form

An updated version has now been published along with supporting web content and external awareness communications.

Review of Your Future, Your Super reforms

The Assistant Treasurer announced the outcomes of the review on Tuesday 4 April. As part of these outcomes Treasury published a summary of responses to the consultation paper.

There are no immediate policy changes to the ATO Your Future, Your Super deliverables of the YourSuper Comparison Tool or Stapling framework.

Fraud and Security Working Group

In response to the large-scale data breaches involving Optus and Medibank, the Superannuation Industry Stewardship Group (SISG) established a Fraud and Security Working Group. This working group is tasked with understanding the impact these data breaches present across a members superannuation lifecycle and how they could be addressed.

Several new vulnerabilities were identified, which the working group are using as a basis to inform new controls to strengthen the overall system. The SISG has endorsed a detailed assessment on implementing 3 priority opportunities:

- Know Your Client at key milestones
- Multi-factor authentication and member confirmation before significant transactions
- Information sharing.

The working group will hold targeted conversations with associations and SISG nominated representatives to understand what we be done to implement these opportunities, challenges or irritants, and potential timeframes.

Following these conversations recommendations will be presented to the SISG for consideration.

Member comments

- Delays in rollovers would be caused by know-your-client requirements which impact the 3-day rule.
- Proof of identity (POI) was raised by members as an item which is causing resourcing issues and work bottlenecks for funds.
- Members noted clients are sometimes reluctant to answer texts and emails thinking they are scams, when funds are trying to determine POI for rollover purposes, especially for larger transactions.

- It was acknowledged that these are issues outside the scope of the SAG, and a separate forum would need to address. It was suggested this forum could take place when the next SAG meeting convenes in Sydney in late June. The Chair will consider and advise the group.
- If not already engaged through targeted conversations, SAG members were encouraged to provide thoughts or considerations through fsegovernance@ato.gov.au.

Fund engagement

Trustees must ensure their SuperMatch monitoring, and controls are adequate, actively testing the effectiveness of controls, and continuing to identify opportunities to strengthen their processes around usage and access of the service.

We have previously worked to develop a set of monitoring guidelines and controls for SuperMatch – setting out some minimum expectations around access and use of the service.

This was delayed but has now commenced and we are looking to share details by the end of May.

Bill Korras acknowledged the group for their patience and condolences whilst his team were dealing with the sudden passing of one of their colleagues.

He advised there were no major concerns or issues for the enquiries his team have received since the last SAG meeting.

There will be a change to the log on screen on 22 April and messaging will be communicated to the group via Superfund news.

Post meeting note – A follow up email was provided to members with further details.

Successor fund transfer

Recent experiences have reaffirmed our commitment to working with industry to review current successor fund transfer (SFT) practices and refine our guidance where needed.

We are seeking feedback on specific and more general aspects of the SFT process with a view to forming an industry agreed approach on

good practice. All feedback received so far has been appreciated.

Recent SFTs issues, in particular the use of NIL certification in the fund details register.

Noted the use of NIL causes significant disruption, particularly for employers and clearing houses.

NIL was not designed nor intended for funds to manage close activities for a unique superannuation identifier (USI). The fund validation service (FVS) user guide states the meaning of Nil certification as 'has not achieved certification for rollover or contributions' only.

Member comments

A question was raised regarding if a USI is end-dated and it's not on the FVS, funds cannot respond to or from any messages to that old USI. Julene Vanthoff, ATO confirmed that funds can still send responses with the help of their gateway, and that funds will need to engage with their gateway on this aspect.

Larissa Evans then discussed how we obtain feedback on various issues regarding SFT's, especially involving clearing houses. The ATO will consider bringing clearing houses and funds together to determine how we best achieve this. Any feedback is welcome.

Other business

An Australian Prudential Regulation Authority fund client experience survey should issue to stakeholders in the first week of May. We request and encourage all members to participate in the process. A Super news article will also issue to support this initiative.

There will be a SAG membership refresh process commencing soon. Expression of interest nominations will issue, and it is a chance for current or prospective members to consider their membership, contributions, and engagement with the group.

We are considering the next SAG meeting scheduled for 27 June to be a face-to-face meeting in Sydney. Whether workshops for other relevant issues can occur is still being determined. We are also ensuring those that cannot make the meeting in person will still be able to log in.

There is an upcoming Federal budget in May. Any relevant items that arise relevant to the SAG membership will be distributed to the group.

Member comment

A question was raised regarding the tax time health check. Funds would like information so they can prepare their client contact centres for an increase in call volumes from members checking their super details.

QC 72695

Superannuation Administration Group key messages 8 December 2022

Key topics discussed at the Superannuation Administration Group meeting 8 December 2022.

Last updated 23 December 2022

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Other business and close

Welcome and opening remarks

Larissa Evans opened the meeting with an acknowledgment to country, welcomed those in attendance and introduced ATO Assistant Commissioners Naomi Westwood and Trevor Schloss.

Amanda Gunn advised she is leaving Mercer on 15 December 2022. Larissa acknowledged Amanda as a long-standing member of the group and thanked her for her service.

Update on changes impacting funds

Self managed superannuation fund (SMSF)

Naomi Westwood discussed that the ATO has made changes to the SMSF registration process which removes the ability to add the SMSF's bank account details when applying for an ABN registration. New SMSFs into the system will need to provide the ATO with their bank account post registration via:

- their registered tax agent
- Online services for business
- phoning us on **13 10 20**

The ATO needs to be notified of the SMSF's bank account details prior to members requesting a rollover, otherwise the rollover cannot be processed. It's also important SMSFs have registered for an **electronic service address** and provided these details to the ATO before their member requests a rollover. Delays may be experienced if this does not occur.

Downsizer

Naomi advised legislation to reduce the downsizer eligibility age to 55 years of age has received Royal Assent. This will take effect from 1 January 2023. The only change is to the age, and not any other eligibility criteria.

Member reporting focus

Al Ramsay advised as part of Super and Employer Obligations (SEO)'s and Public Groups and Internationals (PGI) continuing work with funds

in the PGI Top 1,000 program, the ATO are sharing the Request for Further Information (RFI) questions and the mock Operational Insights Report (OIR) and OIR User Guide with the Superannuation Administration Group (SAG) for information and discussion.

The RFI questions focus on the fund's organisational governance and controls in place to ensure the quality of reported member data. Further, when issues occur, how they are escalated and managed internally within the fund are important considerations. As the ATO start to receive responses from the RFIs we will consider how best to share relevant insights more broadly across the super fund industry.

Tracie Crowden reinforced the value of accurate, timely and complete member reporting, highlighting the significance of data quality on ATO systems and the income tax consequences at the member and fund level. There will not be any substantive changes to the RFI questions. If any changes occur, they will be tweaks and not fundamental changes.

The group discussed the mock OIR, and the OIR user guide. When interpreting the results in the OIR, reference to the user guide is critical as it provides the ATO's explanation of how each measure is calculated and incorporated into the OIR.

The ATO welcomes any feedback or questions on the OIR. The ATO clarified that there are no plans at this stage to issue OIRs outside of those funds within the Top 1,000 program with PGI.

Update on recent campaigns and future focus

Siobhann Unwin advised the ATO Engagement and Assurance focus will move from release authorities to Unclaimed Superannuation Money (USM) and annual balance obligations. We will engage with funds who have outstanding USM lodgment obligations as part of our ongoing annual balance campaign.

Release authorities

We have been engaging with funds to resolve issues with release authorities including non-responses and error messages that were identified as part of our recent 'excess non-concessional contributions' work program. Our preliminary engagement activities are almost finalised, and we thank those funds who have worked with us to correct errors and ensure lodgment of outstanding obligations.

Annual balances

Funds were required to report 30 June annual member contribution balance amounts via member account transaction service (MATS) by 31 October. We have identified several funds who have outstanding balances or who have only partially lodged their balances. We will contact those funds to understand what has caused the lodgment issues and work with them to ensure accurate and timely reporting occurs in future.

USM

Funds are required to report and pay USM twice a year being:

- 30 April, for accounts at 31 December
- 31 October, for accounts at 30 June.

Reporting of unclaimed super is vitally important. We aim to ensure the matching of these amounts is as easy as possible, to enable fund members to make informed decisions about consolidating their super money. We will be engaging with funds who have not met their 31 October reporting obligations to understand the issues that prevented lodgment by the due date.

The ATO will continue the positive relationship with industry to examine what steps are in place to ensure lodgment obligations can be met in the future.

Your Future, Your Super

Katie Constance provided the following Your Future, Your Super update:

- The YourSuper Comparison Tool has been updated with quarterly fee and net return data from Australian Prudential Regulation Authority (APRA). The data is now current as at 30 September 2022.
- The Phase 2 wholesale service was deployed in December 2022. The ATO's Digital Partnership Office is in conversation with digital software providers around their interest and potential timelines to be able to connect to the service.
- The current stapled fund interim bulk upload solution will be decommissioned in 2023.

- The ATO distributed stakeholder communications in October to remind employers of their stapled fund obligations, advertise the upcoming wholesale solution and provide early messaging around the decommissioning of the interim bulk solution.
- The ATO has participated in ongoing discussions with Treasury as part of the Your Future, Your Super policy review to provide feedback as administrators of the stapled fund service and YourSuper Comparison Tool.

Communications around wholesale registration issues were discussed, and Katie confirmed work is still underway regarding the onboarding process. There were no updates regarding the Choice form, which should hopefully occur in the new year. As soon as the ATO is aware, the date will be shared with the group. Katie closed the item by reiterating that it has been a huge year for reforms and thanked the group for the positive engagement between industry and the ATO over the past 12 months.

Rollovers version 3

Katie Constance provided the following rollovers version 3 (RV3) update:

- The working group continues to focus on practical rollover issues.
- The current focus of the group is improving the guidance for SMSF members on what can be done prior to commencing any rollover, to reduce the chance of delays. The aim is to ensure the details held by the SMSF, APRA fund and ATO all align, and they are a registered client of their nominated electronic service provider (ESA).
- The group continues to discuss the APRA regulated fund Know Your Client (KYC) process, looking for opportunities to improve that experience for individuals without eroding the security benefits they provide and the legislative obligations that must be met.
- The SMSF verification service (SVS) has now been in operation for over 12 months, with a gradual improvement in the rate of 'verified' responses.

The following statistics were highlighted:

- In total the ATO received more than 286,000 verification requests for almost 78,000 different individuals. Of these, almost 175,000

requests have been verified.

- For the 3 months between September to November 2022, 68.6% of responses were verified – an improvement on 57% for the same period last year.
- There are 16 valid ESA providers, of which 7 offer rollover capabilities, however the service has received more than 450 different values for ESA providers.
- Incorrect ESA details were contained in 7,500 SVS requests
 - 5,300 requests were for a valid ESA but not an RV3 capable provider
 - 2,200 requests did not align to any valid ESA.

Katie reaffirmed the ATO will continue to engage with the working group and how we can support relevant stakeholders into 2023. A question was raised about release authorities via SuperStream, then subsequently being revoked by the ATO.

A question was raised regarding whether an update to the user guide will occur as there is not currently an end-to-end message. Katie advised the ATO has been examining the issue, and once we have a confirmed answer it will be shared with the group.

Cyber and fraud items

Shane Moore provided the following update:

- The recent Optus and Medibank breaches have focussed our collective attention on the vulnerabilities and controls across the super operating system.
- Following the Superannuation Industry Stewardship Group (SIG) meeting on 22 November 2022, a working group has been commissioned to map the superannuation lifecycle to better understand the effectiveness of the existing controls in the super operating system in light of the increased volume of compromised identity data in the community.
- The ATO will be providing support and our perspective and experience to this working group.
- The ATO will also be commencing work to bring together a holistic view of the data/record keeping requirements for super funds.

- We are looking to use this as a basis to begin meaningful discussion with funds on opportunities to de-risk their data holdings or data-transfer through the super operating system. This will include understanding the legal framework and any administrative guidance that has been practically implemented by funds.


Larissa noted that the SISG in light of heightened cyber and fraud activity, members are keen to progress work around how the system can respond to compromised data. The SISG looks across all inter-related milestones, with a view to mapping controls and how industry can respond in a meaningful manner to break down vulnerabilities.

Shane Moore will be offline for a number of months to focus on this important piece of work. Julene Vanthoff will step into the role of director of the Advice and Support team during this time.

Fund engagement updates

SuperMatch

Shane Moore advised that the ATO is starting work again regarding SuperMatch monitoring and best practice principles. SAG members are reminded to remain vigilant around identity theft to protect their members and that their controls around SuperMatch remain effective.

He reiterated the importance of reporting any suspicious activity connected to SuperMatch to the ATO at SPRenablingServices@ato.gov.au 

Successor Fund Transfer (SFT) protocol

A CRT alert issued on 7 December advising the updated SFT protocol has been published.

Members noted the protocol update was timely and very much appreciated. There remain some challenges around re-reporting after an SFT which the ATO will continue to provide support and update guidance as needed.

It was noted that APRA, as co-regulator is seeking feedback on their SFT guidance.

Larissa reaffirmed the benefits of early engagement with service providers, the ATO and working with key regulators. We are always

looking for process improvements and welcome industry feedback.

Super Enquiry Service and number of enquiries

Bill Korras provided the following update:

- Super Enquiry Service (SES) working well
- Over 400 enquiries in the last 30 days with the majority relating to MATS and SMSF Manual Verifications
- Currently exploring expanded use of SES features – mainly ATO initiated communication.

End of year wrap up

Group reflections of 2022

Topics discussed included:

- for a year with no regulatory change there was more than enough work for all stakeholders
- main issues were
 - cyber security / breaches
 - RV3 implementation
- the ATO's working groups were effective
- changes around the work test were also beneficial and appreciated.

Group focus topics for 2023

Larissa advised the group that we are keen to hear from members what industry issues, and operational/administrative topics of concern that affect this membership group should be on the 2023 agenda. We also want to hear any key achievements as we review our consultative groups and their effectiveness and productivity so we can get some reassurance that our group is operating effectively.

The group were asked to provide key areas that will shape our forward agendas into 2023. Tracy Holloway will email members separately to gather ideas.

The Superannuation Employment Change Network will continue into the future and chaired by Naomi Westwood.

Members thanked the ATO team for providing quality updates, as it helps in fund planning to adjust business processes when there are relevant legislative changes.

Larissa confirmed 2023 is an opportunity to share the practical implications of the updates we provide. We are looking to benefit the whole industry and not just SAG members.

The group also discussed that cyber security and RV3 should be standing agenda items and agreed there will always be interest in release authorities and SMSFs. It was noted that the outcomes of the OIR and combined assurance review will be particularly important next year.

Other business and close

Larissa thanked members for their attendance and contributions for the year and closed the meeting at 11.43 am ESDT.

QC 71195

Superannuation Administration Group key messages 18 October 2022

Key topics discussed at the Superannuation Administration Group meeting 18 October 2022.

Last updated 2 December 2022


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Welcome and opening remarks

Larissa Evans opened the meeting with an acknowledgment to country, welcomed those in attendance and introduced the new members Chris Doull from Colonial First State and Mary Gale from Link SyncSoft and new industry co-chair Andrea Cooper from Iress.

Larissa acknowledged the work of Sue Pearce in her role as co-chair and thanked her for her contribution over the years.

Update on changes impacting funds

Kerry Lake discussed the following:

- Reducing downsizer eligibility age from 60 to 55 announcement in the recent budget. The Bill was introduced into parliament in August, but Royal Assent not yet received. If passed, the earliest possible start date is 1 January 2023.
- There are still several announced but un-enacted measures.

Member reporting

Larissa Evans commenced the discussion by advising that ATO Deputy Commissioner Emma Rosenzweig gave a **speech at the recent AIST conference** and re-iterated that quality member reporting is a major priority moving forward.

We are working with our tax colleagues in public groups and international (PGI) to improve member reporting. Nadia Alfonsi and Tracie Crowden from PGI discussed the combined assurance review (CAR) program. The Top 1,000 combined (income tax and GST) assurance program is part of the tax avoidance taskforce.

Most large funds sit in the Top 1,000 bracket. Funds are reviewed every 3 to 4 years, which is done under our justified trust program,

which has just recommenced.

This program seeks to increase the ATO's assurance that large public and multinational groups are reporting the right amount of income tax and GST or identify areas of tax risk for further action. This time we will be looking at around 80 funds. This number is less than previous as there has been approximately 20 funds wound up, mainly due to increased successor fund transfer (SFT) activity.

The scope will be expanded this time to include GST reviews of around 10 funds, and member reporting. Funds will receive a request for information (RFI) which will include a range of member reporting questions that focus on understanding what governance controls are in place to ensure accurate, timely and complete data is reported to the ATO. The focus on member reporting is to gauge the governance controls that are used to support correct, timely and complete data. Specifically, how funds manage emerging issues, risk mitigation, and change management.

Funds will also receive a unique Superannuation and Employer Obligations (SEO) operational insights report (OIR) in the form that has been previously designed with industry. This will provide insight into their 2021–22 transactional member reporting. The OIR is an engagement tool only and the RFI questions do not relate to any result or data in the OIR. Findings from these reviews and learnings about member reporting governance will be used to determine if any broader guidance is required to assist industry apply and improve their governance around member data.

This rollout will occur over the next 12 to 18 months. Both PGI and SEO staff will work with funds during this process. Industry feedback is welcome. Moving forward there will be a shift in how the ATO responds to member reporting issues – ensuring that trustees are engaged in any remediation activity. The ATO also expects that funds be able to correct their own errors and issues, and actively engage with their members to communicate issues and take responsibility for the remediation process.

Assurance work update

Siobhann Unwin gave an update on campaign work to be undertaken over the next 3 months.

The fund services engagement and assurance team will focus on working with funds to rectify issues identified as part of the recent release authority program, specifically relating to excess non-concessional contributions (ENCC) default elections. The team will also engage with funds who have not met their annual balance reporting obligations.

Regarding our ENCC work, Siobhann noted that the ATO is working with funds identified as having reporting/system issues to ensure they are corrected. It is important that these issues are corrected in a timely manner to avoid potential unintended negative consequences for members.

Siobhann then discussed annual balances and reminded members that funds have a legislated requirement to report a 30 June annual member contribution balance amount transaction, on or before 31 October following the end of the financial year.

A question was raised whether a fix had been implemented for the status date issue. (Where a fund has reported a member account as closed, but it remains open in ATO systems). Siobhann advised the fix has not yet been implemented. A complex system update is required to achieve this and the group will be notified when a suitable date has been determined. In the interim, we will continue to undertake data fixes on impacted accounts as they are identified as part of our annual balance campaign work.

Your Future, Your Super

Katie Constance provided the following update.

Phase 2 stapling deliverable

The wholesale service that can be integrated by payroll software providers into business software, is scheduled for deployment in December 2022. We anticipate the digital service provider (DSP) test facility will be available in late October.

DSP's have been provided with the ATO draft specifications. 18 DSP's have expressed interest in the wholesale service. Employers will be able to receive the same stapled fund response rules and outcomes directly from within their business software. The specific design and integration into software will be determined by each DSP. The build of wholesale software solutions is voluntary; meaning the timing and

availability for employers will be dependent on the uptake and build timeline of their relevant DSP.

The existing standard ATO Online services individual request platform will not be phased out – it will continue to be available to ensure employers can meet their obligations.

Post-meeting update – communications have begun issuing advising that the interim bulk request service will be decommissioned from mid-2023.

The government review of the Your Future, Your Super reforms

Treasury is the lead in this process and will conduct a roundtable discussion on the stapling service. The ATO will act in a support capacity. Attendees have been invited from many impacted stakeholder groups to gain a broad understanding on how the implementation is going and whether it is achieving the policy intent.

The review will cover all 4 elements of the package, and a main focus will be to identify any unintended consequences. Treasury has released a consultation paper, and submissions closed Friday 14 October.

Super choice form review

There have been some delays in the publication timeline due to competing ATO publishing priorities, we will communicate with members when the new form is available.

Some learnings and insights from the super choice form user testing process:

- This was not the point in time where users preferred to choose their fund. Most participants already knew what super fund they were going to use prior to filling out the form. Most would not conduct any research on choosing a different super fund when completing the form.
- Some stated they would consider consolidating down the track but at the time of starting a job they have a few forms to complete so they just want to get the forms in, make a good impression with their new employer, and get started.

- Users found the process of finding the relevant fund information disjointed and sometimes confusing. Users often first googled the info required, some navigated to fund websites, others used secure log in. Regardless of the method, users struggled to find all required information in the one spot. Some users found the compliance letter difficult to locate on their fund's website.
- Terminology can be confusing to users. Both employees and employers highlighted there can be quite a bit of confusion around terms such as USI, SPIN, member number, member account number, fund name and product name. Some members mixed these terms up and as result input the incorrect number/information onto the super choice form.

Rollovers version 3 update

Katie Constance provided the following update.

While the formal project has been closed, we continue to work with internal and external stakeholders on implementation issues and processes. We have established a small working group that will focus on both fund-to-fund rollovers and release authorities, and consider:

- administrative processes
- operational issues
- information sharing
- process irritants
- areas for improvement.

Further information will be communicated to group members when at hand.

Fund engagement

Shane Moore provided the following update.

SFT protocol

Updates have been made to the SFT protocol following an ATO review, given experiences and learnings from recent SFTs. We encourage early engagement with the ATO and service providers to reduce

complications and problems during and after an SFT. The draft is currently with our technical areas for review and clearance and will be shared with group members for comment.

Communication activities through Super News articles or CRT Alerts will be used to support the release of the updated protocol. Key changes and themes will be drawn out as part of this process.

SuperMatch

The ATO issued a questionnaire to funds using SuperMatch in March 2022, seeking insights into account opening processes and monitoring activities. The responses have provided valuable insights into monitoring activities undertaken within funds and how they respond to ATO issued SuperMatch alerts.

Following the SuperMatch working group meeting in early September the ATO agreed to:

- Draft a set of monitoring guidelines and controls that will allow all funds to identify issues quicker and apply controls faster.
- Continue analysis to better understand the scale, behaviour and motivators that lead to the creation of staging accounts in funds.
- Form an industry working group for broader discussion on staging accounts once the analysis was complete.

However work on these actions has been paused while we respond to other emerging issues across the sector.

The group discussed the Optus data breach and related SuperMatch alert issued on 28 September 2022. It advised that funds should take responsibility for assessing the risk to their member's data and if concerned managing access to the service from their end. If the fund turns off the service, they must advise the ATO, however no contact is needed if the service continues as normal.

Funds are encouraged to remain vigilant and remember that they are still the 'source of truth' for their member enquiries. Fund members should continue to check with the actual fund itself for their own personal comfort.

Super enquiry service

John Binu, ATO Client Account Services provided the following update.

There were approximately 334 enquiries during the last month, mainly self-managed superannuation fund member manual verifications that could not be processed through the SVS. Also Div. 293 ENCC that were related to release authorities, already touched on by Siobhann.

Other business and close

Larissa Evans advised we would be considering how to best schedule meetings for 2023. We acknowledge that not everyone's preference can be accommodated but we will do our best when the forward meeting invites issue before the end of this year.

The question was raised about having face to face meetings. This will be considered, and the decision communicated to the group when determined.

Larissa thanked members for their attendance and contributions and closed the meeting at 11.57am ESDT.

QC 71010

Superannuation Administration Group key messages 22 June 2022

Key topics discussed at the Superannuation Administration Group meeting 22 June 2022.

Last updated 29 July 2022

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Welcome and opening remarks

Melanie Casey opened the meeting with an acknowledgment to country, welcomed those in attendance and introduced the new members. Ian Roberts, Ley Caldwell, Cindy Tjahja, Jarred Brown and Amanda Gunn were noted as apologies.

There were no objections to the meeting being recorded to support the writing of key messages. The audio recording will be deleted once the key messages are endorsed by the co-chairs.

Melanie gave an update from 7 June out-of-session meeting on Transfer Balance Account Reporting. If funds have concerns, they are encouraged to contact the ATO.

Current change drivers

Sue Pearce noted that there are no significant changes to the Superannuation Changes Industry roadmap that is attached to the agenda.

Discussion centred around what is in the future for industry:

- Focus will be on the 2022 budget impacts.
- Super guarantee (SG) payment increase and what it means, need to keep watching brief, will it increase client tax returns?
- Downsizer shift to age 55 will increase the volume of applications significantly. This will interrupt workflow and may cause double-ups in contributions depending on how it is reported.
- Australian Prudential Regulation Authority (APRA) super data transformation phase II and phase III. Industry is trying to get APRA to go slow, and merge II and III to reduce associated costs.

Superannuation Administration Group (SAG) reviewed the Roadmap covering January to December 2022 and noted other regulators, APRA and Australian Securities and Investments Commission (ASIC) also have considerable change agendas. Significant changes driven by other regulators include:

- ASIC internal dispute resolution (IDR) – the changes coming through for large funds in February 2023, the remainder in August 2023. This is about IDR and reporting to ASIC – complaints data reporting should be there, but now it is reporting this data through to ASIC.
- Consumer Data Rights – waiting to see where super comes into this. Trustees and administrators need to see what this means for them. No time frame at present.
- Retirement Income Covenant 2 – industry currently building products around this, a key issue for industry.
- Non-arm's length expense provision, finance accountability regime and the Douglas case.
- Expansion of minimum draw down rates. This would become a business as usual piece eventually.
- There are many fund mergers happening now industry wide. All of industry are dealing with normal business as usual work, regulatory changes and significant successor fund transfers (SFTs). There are no signs of SFTs slowing down looking into the future.
- Shane Moore advised that the ATO is currently reviewing the SFT protocol with a holistic view and aim to avoid undue risk and impacts for industry. ATO will share the draft with SAG when completed.
- APRA has SFT frequently asked questions that need to be more contemporary and up to date. Funds are being challenged with new scenarios all the time and the feeling is there seems to be no guidance on how to report these instances. There are downstream impacts and there is no guidance from a regulator perspective. This may well be an APRA issue, but it would be good to align some ATO guidance with industry.


Update on changes impacting funds

Sonia Corsini provided an update on:

- Announced but unenacted measures under the previous government that include
 - legacy pension measure
 - residency changes for SMSFs
 - first home super saver technical changes
 - military super changes relevant to the Douglas decision, among others.
- These announcements and or bills in Parliament have now lapsed and it is up to the new government whether they will proceed with them.
- ATO will share information on the progress of these measures with funds as soon as we are able to.

Some announcements that were part of the election campaign including downsizer age threshold change dropping further to 55. There has been some discussion in the media about change moving from 60 to 55 from 1 July 2022, which at this stage is incorrect.

- Funds will need to remain vigilant with members and advisors potentially confused on the relevant age threshold that applies on 1 July 2022 (being 60).
- The ATO does not have visibility of fund processes but some additional vigilance regarding money coming in from 1 July will be important. We need to be aware of the downstream implications of this, with some people potentially going into excess where funds do not automatically reject contributions that do not meet the age threshold. We don't know the timing of the 55 age threshold change at present.
- Any information from funds that could be provided to the ATO on the impacts of a further threshold change including need to update hard coded systems, letters, would be useful to the ATO to assist us in implementing any further change.

If there are any questions or concerns (including any unintended consequences), either email Sonia Corsini directly or the [FSE Governance mailbox](#) .

Your Future, Your Super and Super Choice form review

Tracie Crowden provided an update on the Your Future, Your Super (YFYS) project that included:

- ATO has developed 2 new form concepts that have been issued for user testing. The previous form was 6 pages long with a lot of technical terminology and acronyms which have now been removed.
- We have simplified the language and used a more conversational tone in the 2 new forms. We have also used tips to help the employee understand the information needed, where to get it and how to use it. We have also reduced the fund contact information and used more icons to help the employee be more engaged.
- User testing is underway, and participants have noted that the concepts are easier to complete. The reader usability rate for the old form was 3.2/5 and the new ones are rated at 4.8/5. A remarkable improvement.
- A final concept will issue to a small stakeholder group (not widely shared) and then we will take steps to publish the new form, which will be issued most likely post July 2022. As soon as we have a set date, we will pass that on to industry.

Fund engagement updates

Shane Moore noted:

- SuperMatch – questionnaire issued in April to funds using SuperMatch to understand their monitoring of new accounts opened via online channels, watch lists and how they respond.
 - We received responses from all funds, which have now been reviewed. We will provide a summary response to funds in the coming weeks and re-convene the industry working group for further discussion in late July.
- SFT protocol – currently reviewing published guidance to make sure that it is fit for purpose. This is a large piece of work and will be happening over the next few months. ATO will be working with Gateway Network Governance Body about some of the Binding

Implementation Practice notes in the gateway network to rationalise relevant guidance. As we work through this process, funds will be involved in the conversation regarding impacts.

- Currently there is an out-of-date user guide for the member account attribute service (MAAS) and member account transaction service (MATS) portal. We are looking at updating this content now as these forms sit within online services for business.

Bill Korras gave an update about Super Enquiry Service (SES) that included:

- There has been an increase in manual SMSF verification service (SVS) verification requests – this should only be used when stakeholders cannot access the actual SVS service. Some requests have been received when the fund has received an outcome already using the SVS, and then resubmit manual requests through the SES or CRT mailbox to verify the outcome request.
- There have been 350 queries through the SES over the last 30 days. If members have any concerns, please reach out directly to Bill Korras or add comments to enquiries.

Assurance work

Anna Pace gave an update on campaign work that included:

- Unlinked MATS report – lowest levels we have seen which is great. Need to keep member experience in mind.
- We are engaging with a few funds regarding their unmatched MATS and or MAAS, especially where there is MATS attached with high numbers, mostly deceased accounts.
- Since January we are working on release authorities that are over 10 days old. It is important that we get on top of those that are related to first home super saver.
- Unclaimed monies – reporting each category is required, even if the reporting is a non-lodgment advice.
- Annual balances – we have been cleaning up by checking accounts open by 30 June, some accounts did not need to be open or should have been closed, so this house keeping has been beneficial.

- Reminder to members – 30 June annual balances are coming up and due soon.
- Focus for next quarter – we are looking at work items particularly suspended payments. Funds should double check that
 - payment reference number on the payment message has been quoted in the associated reporting
 - payments are made to the correct bank account
 - all mandatory fields have been completed.
- ATO takes a risk based approach for identifying campaign work undertaken.
- Funds can obtain a listing of their unlinked transactions by sending a request through the SES.

Rollovers version 3

Tracie Crowden provided the following update:

- SVS response rates for May were 65% and for June 67%.
- We are noticing that funds are again putting in multiple requests for one individual without changing information. Unless data changes, nothing will change with the response. Our team will continue to work with particular funds so that we can rectify this.
- A decision tree is being created to work through SMSF member rollovers. A working forum has been set up and is progressing well. The intent is for information sharing and issues management and bringing the right people together around the table to discuss.
 - Members noted that the forum is a great initiative. It includes the right stakeholders and having the providers there, helps the forum to guide and navigate.
- A question was asked if there is any guidance material or an Alert going to be published about when the SMSF paper process finishes.
 - Tracie advised that the process was due to finish at end of financial year but has been extended until 30 September 2022.

Forward work program and priorities

Sue Pearce noted:

- The forward work program aims to note issues or glitches in the system that are ongoing. Sue is keen for all members of the SAG to have their voice regarding the program and priorities, what needs to be picked up and actioned, and areas of high importance.
- COVID-19 was a factor for all industry participants, what have SAG learned and taken away as key issues? Members were asked for any high level comments
 - Departing Australia Superannuation Payment is still a key issue
 - Financial hardship process – not administered by ATO, but trustees verify through Centrelink. A question was whether there is an opportunity to go to Treasury to change the financial hardship provisions and revamp the compassionate release, hardship measures.
 - This would be a big change involving legislative review and liaising with government.
- Closed account remediation – we are 4 years into MAAS/MATS reporting. There is more learning to be done. Open and close is still causing industry and ATO significant issues. ATO are putting in system changes, however Sue was not sure where this is in the schedule of work.
 - Alastair Ramsay responded by advising that the ATO is still working on the complexities around this, and it is particularly challenging as there is no simple fix (issues impact across several ATO products).
 - There is no definitive solution at present, with only stop-gap processes in place, which is not ideal. The idea of a possible workshop was raised, with Sue confirming this is a workshop issue and not a SAG meeting topic.
- Rollovers version 3 – a SMSF, APRA, ATO forum has been set up and is a good group who are looking at operational changes, insights,

and guidance around procedures. It is currently a work in progress and will be a special purpose forum only.

- SuperStream failed fund validations – discussion that all are not suspended payments, some are fund issues.
 - Some technical receipts received from ATO where fund does not have the unclaimed superannuation money. ATO received the message but don't process it, as such the fund does not know there is any error. This whole scenario causes a lot of issues and is very time consuming. What can industry do to assist the ATO with this?
 - A suggestion was more guidance around concrete solutions and processes. Shane Moore advised the ATO is looking at payment suspension issues and patterns, as there are several causes of this. A broader instructional piece could be put together for guidance.
- Notice of intent process with personal super deductions – numerically there are currently thousands of these. It is still a paper driven process, and as such a very long process.
 - A question was posed to SAG – Is there anything with this process that could make it more contemporary with the high volumes being received? Is there any workshop that the ATO could set up to try and lessen the manual process? Looking forward is this another piece that the SAG could be looking at?
 - Melanie Casey advised the ATO Individuals' area are doing a communication process for notice of intent each year. We have started an automatic matching process recently looking at where a deduction has been claimed at D12, but we don't have the corresponding MATS notice of intent notification and reversing those deductions. Sue suggested an out of session SAG if required to discuss the issue further.

March APRA fund client experience survey findings

Tracy Holloway noted:

- 76 responses were received, which is not as many as in previous years.
- 95% of respondents are satisfied with the value that they derive from consultation groups.
- 90% agree that ATO participation at industry conferences, or tax advisor briefings were important.
- The ATO website is the main information source that is used, closely followed by CRT Alerts.
 - noting the searchability of the website needs improvement, which we are working on now.
- Industry would like ATO to engage early and ahead of changes, and information about prospective changes be made in a timely manner. Transparency on inbound inquiry channels and responsiveness could also be improved.
- Participation and feedback are valued by the ATO and feedback was sought from members regarding the optimum release time of the survey to ensure greater participation.
 - Sue advised that November is generally a slower month for industry and suggested this may be a better time for delivery of the next survey.

Superannuation Industry Stewardship Group

Melanie Casey raised key points from the last Superannuation Industry Stewardship Group meeting.

ASIC raised breach reporting and additional reporting they require.

APRA advised work to administer 2022 performance test is well advanced. Have been engaging with trustee products and following-up with trustees where responses to engagement have not been sufficient.

- Retirement income covenant joint letter with ASIC advising all registerable licensees are required to formulate retirement income

strategy by 1 July 2022.

- Planning to issue a letter in June regarding the prudential standard SPS310 audit. Issue final standard SPS530 investment governance as soon as possible and working on feedback request for guidance.

Australian Financial Complaints Authority advised a large number of super complaints going to them without going to trustee first.

- 33% of those complaints could be dealt with by the trustee. 10 to 11% are going all the way through to the adjudicator or Ombudsman. Majority of the decisions are in favour of the trustee.
- Top 5 issues tend to be super related. Total and permanent disability, income protection, death benefits and pensions.

ATO advised parties with family law matters can approach the Federal Court and the Family Court of Australia now to obtain information regarding super interest from the ATO.

Australian National Audit Office released a report addressing SG non-compliance at end of April 2022. This report supports the adoption of prevention and more proactive approach to improve SG compliance.

Australia Post are now on-board to be a SMSF message provider to enable the Rollovers version 3 SuperStream data standard which is good news.

A round table with Commissioner of Taxation was recently held. The ATO very much values consultation with industry. Issues raised included non-arm's length income and non-responses to private binding ruling requests.

Other business and close

Co-chair Sue Pearce is leaving Link Group and going to another industry participant. Sue has been in the forum for 15 years. Sue commented the ATO does an amazing job and thanked the ATO for all their work.

Melanie Casey thanked Sue for all her work, and outstanding job representing industry as advocate and strong voice. Expressions of interest for a new co-chair are presently being looked at.

Regarding CRT Alert, Shane Moore confirmed we are tracking as an internal issue and will endeavour to provide an update as soon as

possible.

A question was raised as to whether the SAG would reconvene face-to-face meetings. Melanie advised occasional face-to-face industry forums are valuable, and we are looking to get back to 'normal', possibly in the latter half of the year.

Shane Moore noted about the Fund Validation Service (FVS) that we have reached out to the industry technical group and we are considering their feedback. However there is no delivery schedule at present, and no update since the presentation at the December 2021 meeting. 35,000 amended MCS were received last year, with no current plans to phase out due to ongoing volumes still being received.

Co-chairs Melanie Casey and Sue Pearce thanked members for their attendance and contributions.

QC 70120

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