



Employer's Guide to Super Compliance Reforms

A Guide to the

- How to be compliant with Super Reforms legislation on 1 July 2021
- Proactively provide employees with superannuation choice



17 February 2021

Changes to superannuation

Why are there changes to superannuation?

The Morrison Government has introduced *Your Future, Your Super* reforms to ensure the superannuation works harder for Australians. These measures will reduce waste in the system and save Australian workers \$17.9 billion over 10 years.

Australians currently pay \$30 billion per year in superannuation fees, while three million accounts sit in underperforming funds worth over \$100 billion in retirement savings.

“With incoming changes to superannuation arrangements, employers will face new obligations to ensure their employees make an informed choice of super fund. Flare’s onboarding platform makes sure that you, as an employer, are fully compliant with those obligations – and helps your employees make the best choice of fund for their financial wellbeing.”

Harry Godber, Head of Strategy at Flare and former Fintech & Financial Regulation Adviser to the Morrison Government

How will these new changes affect employers and payroll?

The *Your Future, Your Super* package is scheduled to commence on **1 July 2021**. Under the package, employers will be responsible for adhering to the next phase of super reform, including:

Preventing the creation of multiple unintended superannuation accounts.

If an employee does not nominate a superfund, employers will pay their superannuation contributions to an existing fund. Employers will need to look up an employee’s existing superannuation fund from the ATO. However, if an employee does not have an existing superannuation account, the employer will pay the employee’s superannuation into their nominated default superannuation fund.

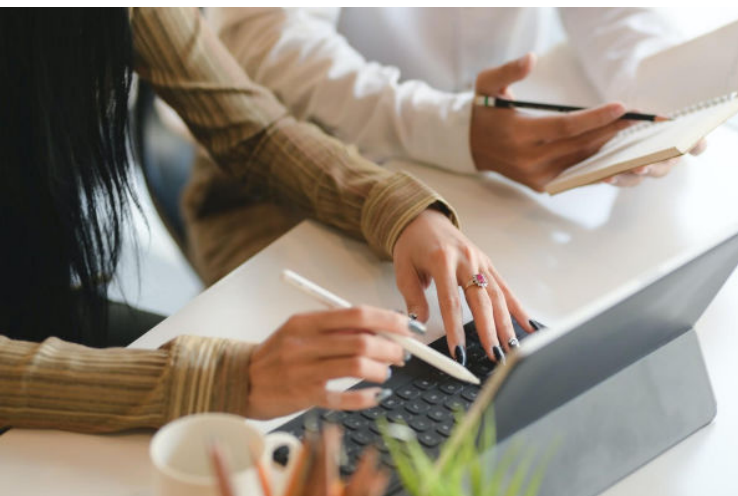
Flare Onboarding eliminates the manual administration required by payroll teams to lookup an employee’s existing superannuation fund from the ATO. When an employee is onboarded Flare ensures that every employee is given the opportunity to choose the fund they want to be in; and what’s more we’ll help them find their lost funds.

What's in the 'Your Future, Your Super' package:

SUPER STAPLING

Superannuation follows employees

An employee's superannuation account will follow them which will prevent the creation of unintended multiple superannuation accounts when employees change jobs.



CHOICE

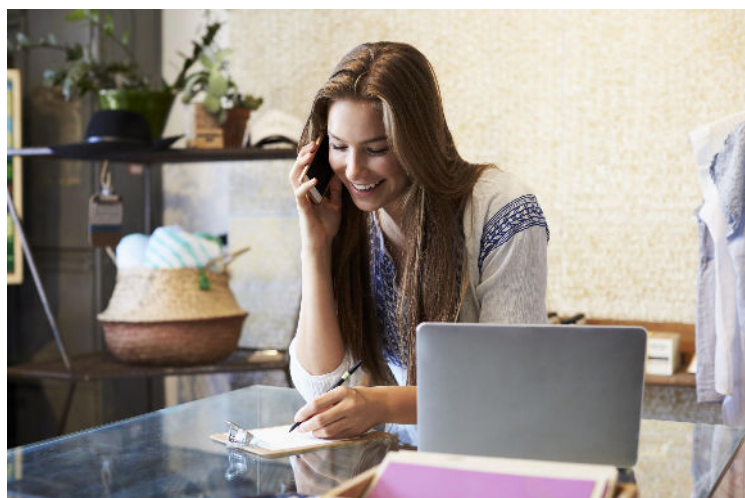
Make it easier to choose a better fund

Super members will have access to a new interactive online YourSuper comparison tool which will encourage funds to compete harder for members' savings.

ACCOUNTABILITY

Super funds to be held accountable

To protect super members from poor outcomes and encourage funds to lower costs the Government will require superannuation products to meet an annual objective performance test. Those that fail will be required to inform members. Persistently underperforming products will be prevented from taking on new members.



How employers can ensure compliance with new reforms

How do these reforms impact employers?

Rather than allowing the defaulting of a new employee into your superannuation “default fund”, as of July 1 2021, payroll administrators may have to manually look up that employee’s fund, by logging into the ATO online services and manually entering the employee’s details into the payroll system.



Over 2000 compliant payroll & people teams choose Flare:



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How can I stay compliant with Flare’s free onboarding?

At Flare, we believe in giving employees choices when it comes to their superannuation, which is why we created our free Flare Onboarding product.

Flare Onboarding also eliminates the manual administration required by payroll teams to lookup an employee’s existing superannuation fund from the ATO. Within the onboarding workflow, every employee that goes through onboarding actively is required to choose the fund they want to be in and can help them find their lost funds.

Flare Onboarding is designed to support Australian payroll and HR compliance, aligned to the Royal Commission’s recommendations for superannuation.

Therefore, Flare onboarding:

- Requires people to choose their superfund – stopping passive defaulting of superannuation
- Allows super consolidation – stopping the proliferation of multiple super funds

Get in touch with us:

See the Flare platform and learn how teams are using Flare for super compliance, digital onboarding and benefits.

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Thank you.

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