

Super changes – what you need to know



There's a lot of change happening to super right now that will impact you and your business. It starts as early as 1 July 2013.

Fortunately, as a Cbus employer, you can rely on us to guide you through the changing super landscape – our ready reckoner sets out the main changes and what you need to know.

Why super is changing:

Super legislation is just over 20 years old and beginning to mature. The Government has refined it to improve outcomes for both employees and employers through the MySuper and SuperStream reforms.





The MySuper changes aim to ensure your employees don't pay excess fees and get the full benefit of super for their retirement. Cbus was proudly one of the first funds to receive MySuper authorisation.



The SuperStream changes improve the efficiency of data and money transfer between employers and funds. Cbus already has a range of electronic contribution services that will meet the requirements.

Our ready reckoner will make it easier to understand and comply with the new rules. It should also help answer any questions your staff may have.

See the back of this page for more detail on the key changes.



Key change	Change #1: Superannuation Guarantee (SG) rates will rise to 9.25% of ordinary time earnings (the first increment of a progressive increase to 12% in 2019)	Change #2: SG age limit will be removed	Change #3: New reporting of taxable payments made to contractors in the building and construction industries
When it takes effect	2013	2013	2013
	1 July	1 July	First report date is 21 July
What it means for you	<p>You'll need to ensure the rate rise is applied from 1 July 2013 for all employees eligible for SG.</p> <p>Check with your payroll provider to make sure your system's up to date.</p>	<p>You'll need to pay super for employees aged 70 and over, as long as they're eligible – use the ATO's calculator at www.superfuture.gov.au to check.</p>	<p>You'll be able to stay tax compliant more easily by ensuring your contractors are doing the right thing.</p> <p>Using the new system to report payments made to contractors, you'll help the ATO identify contractors who haven't:</p> <ul style="list-style-type: none"> • lodged tax returns, or • included all their income on tax returns that have been lodged. <p>Cbus can help you work out if you need to change the way you record contractor payments to capture this information.</p>
What it means for your employees	They'll have more super in their account each pay.	Employees aged 70 and over can now continue to build their super.	As long as your contract employees meet their tax obligations, there's no change for them.
Where to find help?	 Visit www.cbussuper.com.au/report_2013 for details in our March 2013 <i>Employer Report</i> or contact a Cbus Employer Account Manager on cbuseam@cbusmail.com.au or  call 1300 361 784		 Visit www.ato.gov.au/businesses for more details, or contact us on cbuseam@cbusmail.com.au or  call 1300 361 784

Key change	Change #4: Cbus MySuper is launched	Change #5: New ways to pay super contributions electronically come into effect (SuperStream)	Change #6: New payslip reporting obligations
When it takes effect	2013 1 Oct	2014 1 July	To be announced*
What it means for you	You don't need to do anything – with Cbus as your default fund, you'll have already met your obligation to pay contributions into a MySuper authorised product.	You'll be able to send super contributions to Cbus in one standard electronic format, meaning faster, easier, more reliable electronic payment processing. Cbus can support you through a seamless transition to our electronic contributions system, which more than half of our employers already use.	Pending more details from the Government, you'll need to report on each employee's payslip the date and amount of super contributions actually paid into an employee's super account. This will be a great opportunity for you to help your employees take a more active interest in their super. Details on what and how to report on payslips will be released once regulations are finalised.
What it means for your employees	Employees can rest easy too, knowing Cbus' default option (where most members are invested) has been authorised as a MySuper product. This recognises that our default option is a simple and cost-effective investment product for our members.	Employees will receive SG payments into their super more efficiently, ensuring they get the full benefit of any investment interest and insurance cover through their super.	More information means an easier way for employees to keep track of their SG payments and ensure their insurance cover through Cbus will remain current.
Where to find help?	 Visit www.ato.gov.au/yoursuper or contact us on cbuseam@cbusmail.com.au or  call 1300 361 784		

* Legislation requiring employers to give information about super contributions on pay slips takes effect 1 July 2013. However, at the date of printing, regulations setting out the information to be included are yet to be released.

More detail on the changes (and how we can help)

New rates for compulsory super payments

Generally, you must pay a percentage – at the SG rate – of what an employee earns into that employee's super fund account.

From 1 July 2013, the SG rate is going up. The rate will increase gradually over 6 years to 12% from 1 July 2019.

If you were making super payments at the minimum 9% rate, you need to adjust payments to the new rate from 1 July 2013.

Start date	SG rate
1 July 2013	9.25%
1 July 2014	9.50%
1 July 2015	10%
1 July 2016	10.50%
1 July 2017	11%
1 July 2018	11.50%
1 July 2019	12%

Super payments for employees aged 70 and over

From 1 July 2013, the SG age limit for paying super for an employee has been removed so mature age workers can keep building their retirement savings.

This means there will no longer be a maximum age for SG eligibility. If you have eligible employees aged 70 years or older you will now need to make super contributions to their super funds.

MySuper replaces default super accounts

From 1 July 2013, super funds are allowed to start providing a new type of super product called MySuper. A default fund account is one chosen by you for an employee who doesn't choose their own super fund.

From 1 January 2014, if an employee has not completed a standard choice form, you must pay super contributions into a fund that offers a MySuper account.

You can download a standard choice form from **www.cbussuper.com.au/choice**

Cbus has MySuper authorisation

We'll launch our MySuper product on 1 October 2013.

Paying contributions electronically from 1 July 2014

The ATO is introducing a 'data and e-commerce standard' to make processing super payments easier for you.

The new standard will:

- reduce the time it takes to process super payments
- lower transactions costs
- give you a consistent, reliable, electronic method of making payments.

The new standard means you will be able to send super contributions to funds in one standard electronic format.

If you have **20 or more employees** you need to start using the new data and e-commerce standard from **1 July 2014**.

If you have **19 or fewer employees** you will need to start using the standard from **1 July 2015**. The ATO plans to issue more guidelines on how to make the transition at **www.ato.gov.au/super**.

What can you do to be data ready?

Visit **www.cbussuper.com.au/clearinghouse** and use our payment options wizard to find the best option available to your business.



Need our help to get compliant by 1 July 2013?



Contact us – we're here to make the transition easier.

- **cbuseam@cbusmail.com.au**
- **1300 361 784**
8am-8pm Monday-Friday AEST

General advice warning

This information is about Cbus. It doesn't take into account your specific needs, so you should look at your own financial position, objectives and requirements before making any financial decisions. Read the relevant Cbus Product Disclosure Statement to decide whether Cbus is right for you. Call Cbus on **1300 361 784** or visit **www.cbussuper.com.au** for a copy.

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