AustralianSuper

Super for unions

April 2025

Contents

AustralianSuper recognises the important role unions play when advocating for fair and adequate super in the workplace.

We've designed a training booklet with information and tools to help demystify super to better prepare you when negotiating an Enterprise Agreement super clause and pursuing super underpayments.

You should ensure that your staff who might be involved in any discussions with union members on their superannuation are aware they should not make statements that amount to financial product advice. Further information can be found in *Communicating with employees about choice of superannuation fund: What you can and cannot do* (ASIC Information Sheet 89, October 2021).

How, why and when super started

Australian unions fought hard and won universal super for working Australians.

The right of every Australian worker to have their own super account only exists because of the efforts of union members from the 1960s through to the 1980s.

Superannuation as a form of savings has existed for more than a century in Australia. However, for most of that time, it only existed for a minority of the working public. Generally, these were higher paid white collar staff in large organisations, employees in the financial sector, public servants and members of the Defence Force.

The arrival of universal super for all employees began in September 1985, when trade unions agreed as part of its National Wage Case claim to forgo a national 3% pay increase, which instead would be put into super.

The Government supported the claim, and in February 1986, the Commission announced it would approve awards that provided contributions of up to 3% to approved super funds.

Left: Sydney Morning Herald news clipping dated 13 December 1985, detailing the negotiations and formation of the Manufacturing Unions Superannuation Trust (MUST).
Right: A copy of the original Manufacturing Unions Superannuation Trust (MUST) poster showing the benefits of superannuation. MUST was one of several funds that merged to eventually become AustralianSuper.

1970s

Australia's first industry super fund

In 1978, LUCRF Super was established by the Federated Storemen and Packers' Union, now the United Workers Union, laying the foundation for the Australian superannuation system as we know it today.

1980s

Industry funds and their Board compositions were formed

In 1983, the Prices and Incomes Accord, known as 'The Accord' was struck. This was an Agreement between the ACTU and the Hawke Labor Government, where they pledged to minimise inflation in return for the unions moderating their wage expectations.

The creation of Industry SuperFunds followed the trade union movement's negotiations and subsequent introduction of Award Super in 1986. AustralianSuper's predecessor funds Australian Retirement Fund (ARF) and Superannuation Trust of Australia (STA) were created in 1985 and 1988 respectively along with the merger of the Manufacturing Unions Superannuation Trust (MUST). Both Trustee Boards had equal representation from unions and employer groups relevant to specific industries.

1992

Compulsory super started

Compulsory super payments, often referred to as the Superannuation Guarantee (SG), were introduced on 1 July 1992 with minimum employer contributions of 3% of OTE (Ordinary Time Earnings). This ensured coverage for almost all employees and meant that employers were required by law to make tax-deductible superannuation contributions on behalf of their employees.

Any employer who did not provide the required amount of superannuation was liable for a non-deductible Superannuation Guarantee Charge, made up of the employee's contributions shortfall, an interest component, and an administration charge.

Higher contribution levels were phased in over a ten-year period and reached the minimum rate of 9.5% in July 2014. Since then, SG phased increases have been implemented and will increase to 12% on 1 July 2025 onwards.

2005

Choice of super fund

From 1 July 2005, the choice of fund initiative was introduced. This allowed many Australian employees to choose their own super fund, giving them greater sense of ownership over their retirement savings.

2007–2014

Stronger Super

The Labor Government's *Stronger Super* reforms delivered on an election commitment to provide a better deal for the many Australians who choose not to take an active role in managing their superannuation.

Key elements of the reforms included:

- the introduction of *MySuper*, a new simple, cost-effective default superannuation product
- making the process of everyday transactions for employers easier, cheaper and faster.

2019–20

Protecting your super and putting members' interests first

The Coalition Government introduced legislative reforms designed to protect Australians' super savings from unnecessary erosion by fees and insurance costs.

The *Protecting Your Super Package Act* came into effect on 1 July 2019. Key legislation changes include:

- changes to fees – removal of exit fees and a 3% cap on administration, investment fees and indirect costs on accounts with balances below $6,000
- the transfer of inactive low-balance accounts to the Australian Tax Office (ATO)
- stopping insurance for inactive members.

For more details on these changes, visit **australiansuper.com/pys**

On 1 April 2020, the *Putting Members' Interests First Act* came into effect. It provides a fairer system of opt-in insurance for members who are under 25 years old, and/or have an account balance below $6,000.

2021

Your Future, Your Super

The Coalition Government's *Your Future, Your Super* (YFYS) package, announced in the 2020/21 Budget, is a package of measures designed to make the superannuation system deliver better outcomes for members.

The measures include:

- super 'stapling', where a single super account follows an employee from job to job (unless they make an active choice to change their super fund)
- an interactive online *YourSuper comparison tool*
- annual performance tests for MySuper products, where any underperforming funds must inform members of this underperformance, and
- increasing accountability and transparency, with new obligations on Trustees.

These new measures are now law. The YFYS regulations that support the new measures have also been finalised. Please see page 15 for more on the 'stapling' measure.

Why Industry SuperFunds are important

When unions won universal super for the majority of working Australians, they set up Industry SuperFunds to manage the retirement savings of members. Currently, seven Industry funds are members of Industry SuperFunds.

An Industry SuperFund

The difference between Industry SuperFunds and retail funds

Nearly 6 million[1] Australian workers belong to an Industry SuperFund like AustralianSuper who are run only to profit members.

Unlike Industry SuperFunds, many retail providers use their retail super funds to generate corporate profits, which are returned as dividends to shareholders.

[1] Industry SuperFunds viewed April 2025.

About AustralianSuper

AustralianSuper was created on 1 July 2006 through the merger of Australian Retirement Fund (ARF), the Superannuation Trust of Australia (STA) and Finsuper.

However, our history really began back on 6 August 1985 when the Manufacturing Unions Superannuation Trust (MUST) was established by the Australian Council of Trade Unions (ACTU) and the metal industry unions. ARF was established in the same year, through a signed agreement between the ACTU and the Australian Chamber of Manufactures (ACM), with ARF as a name that reflected no particular industry, and open to any employer and employee. In 1988, MUST merged with STA when it was formed through an agreement between the ACTU and the Metal Trades and Industries Association (MTIA).

Today, we're a $365 billion[1] Industry fund, with over 3.5 million members (around one in seven working Australians) across most industries. We're run only to profit members and don't pay dividends to shareholders. We also work with over 472,000[1] businesses nationally.

Our purpose is to help members achieve their best financial position in retirement

We've done this by delivering a history of strong long-term investment performance[2].

We have consistently achieved high ratings from organisations that measure the overall quality of a fund according to value for money and investment performance[3].

Our investment team continues to actively monitor the economic and market outlook and make investment decisions with the aim to generate strong long-term investment returns.

AustralianSuper Board overview

Our Board oversees the Fund's operations and ensures it is operating efficiently and in the best interests of members, comprised of both member (union) and employer representation.

Dr Don Russell
Independent Chair, appointed by the ACTU and the Ai Group

Innes Willox
Deputy Chair, appointed by the Ai Group

Philippa Kelly
Independent Director, appointed by the ACTU and the Ai Group

Michele O'Neil
Member Director, appointed by the ACTU

Julia Angrisano
Member Director, appointed by the ACTU

Glenn Thompson
Member Director, appointed by the ACTU

Gabrielle Coyne
Employer Director, appointed by the Ai Group

Jo-anne Schofield
Member Director, appointed by the ACTU

Janice van Reyk
Employer Director, appointed by the Ai Group

Misha Zelinsky
Member Director, appointed by the ACTU

Claire Keating
Employer Director, appointed by the Ai Group

John Dixon
Employer Director, appointed by the Ai Group

[1] As at 31 December 2024.

[2] Based on returns of the AustralianSuper Balanced investment option compared to the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index to 31 December 2024. Returns from equivalent investment options of ARF and STA are used in calculating returns for periods that begin before 1 July 2006. Investment returns are not guaranteed. Past performance is not a reliable indicator of future returns.

[3] AustralianSuper received the Canstar Outstanding Value Award – Superannuation in 2011–2025, and Outstanding Value Award – Account Based Pension in 2018–2024 **canstar.com.au/star-ratings-awards/superannuation canstar.com.au/star-ratings-awards/account-based-pension** Awards and ratings are only one factor to be taken into account when choosing a super fund.

Initiatives to support Aboriginal and Torres Strait Islander members

AustralianSuper is committed to addressing the superannuation challenges faced by Aboriginal and Torres Strait Islander peoples.

The Fund launched its Innovate Reconciliation Action Plan (RAP) in July 2021, focused on strengthening relationships, areas we can improve and how we can influence the financial services industry to close the superannuation gap.

We've built many valuable relationships and developed greater insights into the issues we need to focus on to better meet the needs of Aboriginal and Torres Strait Islander members. During our journey to support Reconciliation, we have introduced the following:

Dedicated contact centre support

In April 2018, we launched the first dedicated Aboriginal and Torres Strait Islander Contact Centre support service to provide members and those that support them with access to trained consultants who understand the challenges faced by some Aboriginal and Torres Strait Islander members including identification, language and kinship structures. The service is accessed by ringing our main 1300 number with an option to self-identify via our IVR system before being re-directed to a consultant experienced in Aboriginal and Torres Strait Islander member engagement.

Aboriginal and Torres Strait Islander Translator Service

In February 2023, we launched a pilot program to provide a translator service for Aboriginal and Torres Strait Islander members. The service provides the opportunity for calls to be booked with an interpreter and the Fund in 50 of the most widely used Languages.

The Schools Plus financial literacy program

As part of its activities under the Reflect RAP, the Fund partnered with Schools Plus Australia to roll out a bespoke financial literacy program to select schools in remote NT, with the aim of improving basic understanding of terminology, technology and how to transfer this knowledge into decision-making and action. This program was continued under the Innovate RAP to continue to improve upon practical financial literacy skills that can be used in everyday life.

Intern program

AustralianSuper continues to work closely with Career Trackers to engage Aboriginal and Torres Strait Islander university student interns to work with the Fund each summer.

Financial Wellness Week

We are a proud supporter of the First Nations Foundation's (FNF) community outreach program, Financial Wellness Week. Building upon the success of the FNF's Big Super Day Out, the program is designed to provide a more holistic service for Aboriginal and Torres Strait Islander peoples in key locations around the country.

Cultural competence training

All AustralianSuper colleagues have a role to play in increasing cultural competence and creating a culturally safe workplace. Cultural competence training has been built into AustralianSuper's onboarding program, with cultural awareness training to be included as part of the Fund's broader training activities. Our member-facing teams currently undertake employer specific engagement, where the employer hires a large number of Aboriginal and Torres Strait Islanders.

Continued policy advocacy

AustralianSuper continues to support and advocate for government policies that:

- have straightforward and consistent identification processes and forms
- have a better acknowledgement of the cultural associations of kinship and how this may affect current policy and procedures
- lower the preservation age
- retain low income aid to support super savings.

Three great reasons

As Australia's largest super fund[1], we draw on our strategic advantages of size and scale to increase our investment in high quality private market assets and enhancing our investment capabilities to help achieve long-term investment objectives for members.

Three great reasons why over 3.5 million Australians trust us to grow their savings

A top performing fund[2]

Size and scale

Value-for-money insurance

A history of strong long-term performance

AustralianSuper's flagship Balanced investment option has consistently delivered strong long-term performance[2].

To see the performance of our PreMixed and DIY Mix investment options, visit **australiansuper.com/performance**

Our investments

Members have flexibility and choice through a wide range of investment options, including PreMixed options that are diversified across multiple asset classes, DIY Mix options that provide exposure to specific asset classes, and Member Direct in which members can invest in individual shares, ETFs, LICS and term deposits. Learn more at **australiansuper.com/investments**

[1] APRA Quarterly superannuation fund level statistics December 2024. Released 11 March 2025.

[2] AustralianSuper Balanced investment option compared to the SuperRatings Fund Crediting Rate Survey, SR50 Balanced (60–76) Index to 31 December 2024. Returns from equivalent investment options of the ARF and STA super funds are used for periods before 1 July 2006. Investment returns aren't guaranteed. Past performance isn't a reliable indicator of future returns.

Fees and costs

Super funds charge fees to cover the cost of managing super and investments. We use our size and scale to help keep admin fees low[3].

The types of fees and costs are made up of:

- **Administration fees and costs** are paid into the Fund's administration reserve and the Fund pays its administration costs from that reserve.
- **Investment fees and costs** are charged to cover our costs of managing a member's investments including external investment management fees and performance fees.
- **Transaction costs** are incurred when buying and selling underlying investments.

For more information on fees and costs visit **australiansuper.com/fees**

To check current fees, read the *Fees and costs* guide at **australiansuper.com/FeesandCostsGuide**

Insurance – money when it matters most

With insurance through super[4], members can help protect their income and prepare for the future (subject to eligibility criteria).

Over the past 10 years, we've paid over $4.7 billion across more than 69,400 claims[5] to help members and their families.

Learn more at **australiansuper.com/insurance**

Support and and access to financial advice

Sometimes all members need is a little help understanding their super options. That's why a range of advice options helps every step of the way – online, over the phone[6] and face-to-face[7]. And where available, members may have the option to meet with an adviser using a secure video link from the comfort of their own home.

Learn more at **australiansuper.com/advice**

[3] Source: Zenith CW Pty Ltd (Chant West) (ABN 20 639 121 403). Chant West Super Fund Fee Survey December 2024. Survey compares administration fees and costs for MySuper products for a $50,000 balance. Other investment fees and costs also apply. Fees may change in the future which may affect the outcome of this comparison.

[4] AustralianSuper insurance is provided by TAL Life Limited (the Insurer) ABN 70 050 109 450, AFSL 237848.

[5] 31 December 2024.

[6] There's no charge for general advice about your super account. The financial advice you receive will be provided by MUFG Retire360 Pty Limited ABN 36 105 811 836 AFSL 258145 and will be their responsibility. Personal product advice provided may attract a fee, which will be outlined before any work is completed and is subject to your agreement.

[7] Personal financial product advice is provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd. Some personal advice may attract a fee, which would be outlined before any work is completed and is subject to your agreement. With your approval, the fee for advice relating to your AustralianSuper account may be deducted from your AustralianSuper account subject to eligibility criteria.

More for members

AustralianSuper members benefit from a range of services, including:

Online account
Members can view their account balance and statements, add to their super and manage their investment options.

Mobile app
Members can manage their account on the go with the mobile app.

Access to financial advice[1]
Access to advice online, over the phone or in person to help members make better financial decisions.

Calculators
Members can compare funds, plan for the future, work out how much more they could add to their super and how much insurance cover they may need (if any) and what it may cost.

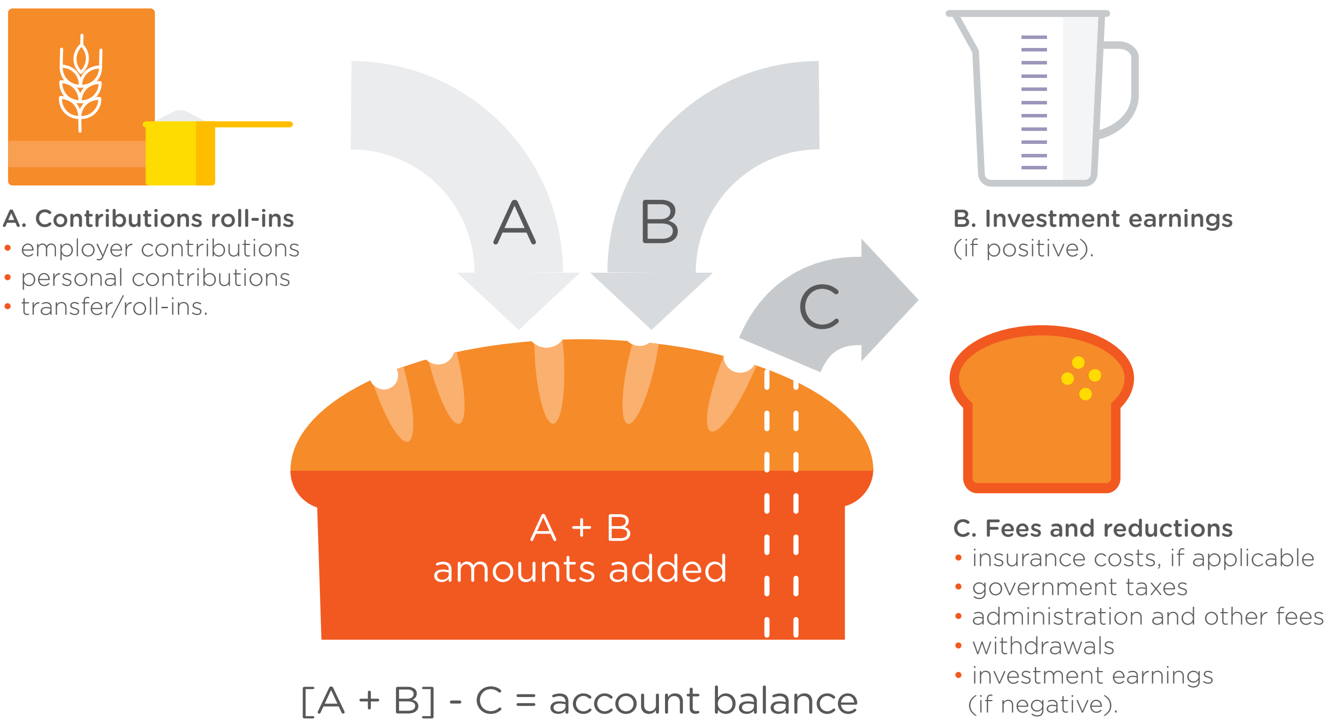
Education events
Retirement and financial planning seminars and webinars, provided at no extra cost for members Australia-wide.

Notes

[1] Personal financial product advice is provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd. Some personal advice may attract a fee, which would be outlined before any work is completed and is subject to your agreement. With your approval, the fee for advice relating to your AustralianSuper account(s) can be deducted from your AustralianSuper account (subject to eligibility criteria).

How super works

Super forms part of a member's salary, and in general, employers must pay a percentage of a member's ordinary time earnings (OTE) into their super account, in addition to their take-home pay.



Withdrawing super

Super is to provide members with a benefit in retirement and is a long-term investment. To withdraw their super, generally members need to have reached their preservation age (see page 14 for more details).

Members may also be able to access their super in some other circumstances, such as if they face severe financial hardship, or for compassionate reasons.

There are some other ways in which access to super could occur. Learn more at **australiansuper.com/AccessYourSuper**

The Super Guarantee (SG)

As at 1 July 2025 employers are required to make contributions of 12% as a minimum, on behalf of full-time, part-time or casual employees based on ordinary time earnings (OTE).

OTE is the amount paid to employees for their ordinary hours of work, including things like commissions and shift loadings.

Generally, super is paid to an employee at least quarterly, however if they're under 18 or work domestically or privately, they will need to work for more than 30 hours per week to be eligible.

Legislated SG contributions increases

Financial year	SG rate %
2024/25	11.5
2025/26	12.0

Under current super legislation minimum requirements:

- SG contributions are paid quarterly
- an employer can decide the default fund
- employers don't have to offer salary sacrifice super arrangements for their employees.

For more information on the above, visit **ato.gov.au**

Adding extra to super

Making extra contributions can be a great way for members to boost their retirement savings, as long as they're aware of the contribution caps, rules and eligibility criteria.

Contribution caps are limits on how much a member can contribute into their super in a financial year. If these caps are exceeded there may be tax implications so it's a good idea to seek financial advice.

Many people choose to add extra to their super[1] which can be done in a number of ways, here are a couple:

After-tax including spouse contributions, after-tax employee and non-deductible personal contributions. These are also called 'non-concessional' contributions and are made from members' after-tax, take-home pay. To be eligible, a member's total super balance must be less than $1.9 million (increasing to $2 million from 1 July 2025) on 30 June of the previous financial year and they will need to be aged under 75 years.

Before-tax including salary sacrifice contributions and personal contributions made by a member where a valid tax deduction claim is made, and contributions made by an employer, where a tax deduction is claimed. These are all called 'concessional' contributions because members only pay 15%[2] tax, depending how much they earn, which is generally lower than the tax payable on their take-home pay.

To learn more about the different types of contributions visit **australiansuper.com/grow**

How super is taxed

Most members could pay less tax on money they put into super and if they access their super after age 60, generally they'll pay no tax on their super benefit.

Earnings

Members' super is invested on their behalf by the Trustee and the earnings (which can be positive or negative) are credited to their account after-tax and investment fees are deducted.

The earnings on their super will vary from year to year and will also depend on the type of investment option they have elected to invest their super in.

If AustralianSuper members don't make a choice, their super is invested in the Balanced investment option.

What age can members access their super?

Members can access some or all of their super from age 60 (preservation age), if they stop working or permanently retire.

If a member is 65 or older they can access all of their super, even if they are still working.

To learn more about accessing super in retirement visit **australiansuper.com/AccessSuperInRetirement**

Accessing super early

In some circumstances, members may be able to access some of their super before retiring due to:

- severe financial hardship
- compassionate grounds
- terminal illness or permanent incapacity
- permanently leaving Australia.

To learn more about assessing super early visit **australiansuper.com/AccessYourSuper**

Choice of fund

The super stapling measure that came into effect on 1 November 2021 means most working Australians will be attached to one super fund for life unless they choose otherwise.

Any new employees who don't actively choose to change to the employer's default fund, will be 'stapled' to their existing fund.

If they don't choose a super fund, their employer will need to check whether they have a 'stapled' fund with the ATO.

Eligible employees are entitled to change their choice of super fund as often as they wish. However, employers are only required to accept one new choice of fund nomination from an employee within a 12-month period.

The following page includes more on the 'stapling' measure. Please also visit **treasury.gov.au** or **ato.gov.au** for the latest on the *Your Future, Your Super* measures.

[1] Before adding to your super, consider your financial circumstances, eligibility, contribution caps that may apply, tax issues and when your super can be accessed. We recommend you consider seeking financial advice.

[2] Unless additional tax applies under Division 293 Tax, or the contribution tax is effectively reduced by the Low Income Super Tax Offset.

Stapling to a single super fund

Introduced as part of the recent *Your Future, Your Super* federal government measures, super 'stapling' came into effect from 1 November 2021.

'Stapling' aims to reduce the number of super accounts an employee may acquire throughout their working life.

The measure will take effect when most employees change jobs. They'll automatically be 'stapled' to their existing super fund (if they have one) and they'll take this account with them, from job to job, unless they actively choose a different fund.

There's the possibility of an individual being 'stapled' to a poor performing fund at the onset of their working life. Therefore, it's important they consider a good performing fund with low fees when they start their first job. The federal government's *YourSuper comparison tool* aims to help employees compare MySuper products ranked by fees and net returns.

Stapling and employers

The 'stapling' measure will also impact how employers set up and pay contributions for new starters who don't choose their own super fund.

The employer will be responsible for checking with the ATO if their new employee has a 'stapled' fund and ensure their super is paid into it.

For more information on 'stapling' and other *Your Future, Your Super* measures, visit **treasury.gov.au** or **ato.gov.au**

The YourSuper comparison tool

The federal government launched the *YourSuper comparison tool* on 1 July 2021, which aims to help employees compare all MySuper products ranked by fees and net returns, so they can choose a super fund to suit their needs. If they access the personalised version through their MyGov login, it shows their current super account(s) alongside other MySuper products.

Investments

How super is invested matters. It affects how much a member's savings can grow and how long it lasts for their retirement.

Investment choice

Many super funds, like AustralianSuper, offer investment choice – giving members more choice on how their super is invested.

When making an investment choice, it's a good idea for them to consider the likely investment return, risk and investment time-frame.

Investment risk

One of the main risks when investing super is that a member's savings may fall short of their needs for income in retirement. This is why their investment time-frame is one of the most important factors to consider when choosing their investment option. Their time-frame can vary depending on a range of factors, including their age and retirement income goals.

Short-term risks are different to long-term risks. If a member has a short investment time-frame until they plan to access their savings (five years or less), preserving their capital is likely to be their main focus. They may not want to lose money due to short-term fluctuations in investment markets. So their key risk is volatility of investment returns.

If they have a much longer investment time-frame (20 years plus) their focus is likely to be on growing their capital and maximising their returns. Volatility is not such a big issue as they probably have time to ride out short-term ups and downs in the market. Their key risk is that their capital doesn't grow sufficiently above inflation to meet their objectives over the long-term.

Volatility and inflation are two of the key risks that can impact a member's investments. It's important to know about other risks which can also affect their super in different ways, including interest rate movements or changes to super rules and regulations.

Investing in Australia

AustralianSuper has always been a large investor in Australian companies and assets, supporting the economy and jobs.

To learn more, visit **australiansuper.com/WhatWeInvestIn**

Investment option risk levels

AustralianSuper has a range of investment options with different types and levels of risk over different time-frames:

- **Short-term risk** is the risk that a member's super savings will be reduced by volatility of investment markets – this is when the value of their investment rises and falls.
- **Medium-term risk** balances two risks. The first is that their super savings will be reduced by volatility and the second is that their super savings will not keep up with inflation.
- **Long-term risk** is the risk that their super savings may not keep up with inflation.

Choosing how to invest

The following steps are designed to help members identify the investment options that best suit their needs:

1. Define what type of investor they are

Members should consider their investment objectives, time horizon and views on risk. This enables members to construct an investment strategy from their goals and preferences.

To help members work out the type of investor they are, they can visit **australiansuper.com/RiskProfiler**

2. Look at their investment options

Once members have an investment strategy, they can choose a suitable investment option. In choosing an investment option, members should review:

- its investment strategy
- how each option performed in the past, and
- the cost to manage each option.

Choosing an appropriate investment option and sticking to the investment strategy can improve retirement income outcomes for members.

3. Consider professional financial advice

A licensed adviser can help members choose an investment strategy that's right for them.

Insurance

Help members protect their income and the future of those who matter most. Having the right death and disability insurance cover can help give them peace of mind that they'll have money when they need it.

Types of insurance cover

Most super funds offer insurance for their members.

An employer's default super fund must offer a minimum level of life insurance depending on a member's age. Members can usually increase, decrease, or cancel their default cover.

Here's an overview of insurance[1] at AustralianSuper:

Death cover

Death cover can help ease financial stress by paying a lump sum to a member's beneficiaries, if the member dies.

Total and Permanent Disablement (TPD) cover

TPD cover can pay a member a lump sum if they become totally and permanently disabled and can no longer work. A lump sum can help cover the costs of rehabilitation, debt repayments and the future cost of living.

Income Protection

Income Protection[2] can help if a member becomes ill or injured (at work or outside of work) and can't work. It can provide monthly payments to help them get by while they're not earning their regular salary.

Terminal illness benefit

If a member has Death or TPD cover they're also covered for terminal illness. This can help ease some of the financial stress if they're suffering from a terminal medical condition.

[1] AustralianSuper insurance is provided by TAL Life Limited (the Insurer) ABN 70 050 109 450 AFSL 237848.

[2] Basic (default) age-based Income Protection may be unsuitable if a member is a low-income earner and the cover amount for their age is more than 85% of their salary (see the Product Disclosure Statement for cover amounts).

Benefits of cover through super:

- We use our size and scale to offer value-for-money insurance cover for members.
- Together with our insurer, we work hard to keep our cover sustainable.
- We run only to benefit members, so they only pay for what it costs to provide them insurance.
- Their insurance costs (also called premiums) are deducted from their super account each month, not their take-home pay. So payments are hassle free.

For more information on AustralianSuper's insurance options, visit **australiansuper.com/insurance**

Super in the workplace

An employer's default fund

By law, employers must nominate a super fund for any employees who don't make a choice.

In summary:

- the super fund they choose will be called the default fund
- SG contributions will be paid into this fund should an employee not make a super fund choice or have a stapled fund
- the default fund must be a MySuper fund and offer a minimum level of life insurance cover.

If an employer does not have a default fund, they're at legislative risk (for breaching the Acts).

Employers covered by an industry award

Most modern awards have a superannuation clause which provides a list of one or more default funds an employer can select from.

If employees are covered by an Enterprise Agreement (EA)

An employer must contribute to a default fund specified in an EA. Some EAs list more than one default fund from which the employer can choose, and they can change that choice at any time. If the EA doesn't name one or more default funds, the employer can choose any default fund listed in the relevant Award and can change that choice at any time.

Incentives

Legislation prohibits incentives being offered to employers on condition that their employees join a particular fund. Incentives can take any form, and include holidays, corporate dining, or discounted rates on products or services.

However a super fund can offer benefits to employees – such as financial literacy seminars or better insurance cover, as an incentive for the employer to choose them as their default fund.

How super stapling impacts employers

Employers will play a key role in super stapling with changes in how they onboard new employees and pay super, unless a state or industrial award prescribes where super must be paid. These changes don't affect their obligation to nominate a default super fund to pay an employee's super into if they don't choose a fund, or have a stapled fund.

Checklist for employers onboarding new starters

1. Offer new starters an ATO Superannuation standard choice form as the first step in the onboarding process and encourage them to consider which fund may be right for them. If the employee makes a super choice, have them submit it to the HR/payroll team.
2. If the new starter doesn't choose a super fund when they start employment, the employer will need to check whether they have a 'stapled' fund with the ATO. To identify the super fund the new starter is 'stapled' to, refer to the ATO's Request stapled super fund webpage for details.
3. If the new starter has a stapled fund, pay their super into it. If they don't, pay super into the business's default fund or the fund named in the employee's EBA.
4. These changes don't affect the obligation as an employer to nominate a default super fund to pay an employee's super into if they have not chosen a fund, and don't have a stapled fund.

The 'stapling' measure

The 'stapling' measure came into effect from 1 November 2021, which means that most new employees who don't actively choose to change to the employer's default fund, will be 'stapled' to their existing fund. For more information on 'stapling' and other *Your Future, Your Super* measures, visit **treasury.gov.au** or **ato.gov.au**

If an employer is not paying super contributions

Most employers do the right thing when it comes to paying super. However if you think that an employer is not paying super, or is not paying the right amount of super, there are ways to check:

1. Confirm that the employee(s) is eligible to be paid super. Generally, super is paid to an employee at least quarterly, however if they're under 18 or work domestically or privately, they will need to work for more than 30 hours per week to be eligible.

   Note: Prior to 1 July 2022, employees earning less than $450 before tax each month were not eligible for the SG.

2. Ask the member to check with their super fund to confirm if the employer has paid super contributions for the period you're looking into.
3. Talk to the employer. Find out how often they are currently paying super and how much is being paid.
4. If you're unable to resolve the issue using the above steps, use the ATO Super Guarantee tool to check the amount and to lodge an electronic enquiry with the ATO.

   If it's a collective issue or an organising opportunity, a union may pursue other avenues to get the money paid. This may include pursuing the underpayment through the Fair Work Commission, if there's a super clause in the EA.

Protecting members' super entitlements

Having measures in place to ensure your members are paid the correct amount of super at the right time not only serves members' interests but helps create a level playing field for employers.

Here's what AustralianSuper does to ensure members receive their super on time.

We work with unions

AustralianSuper encourages stakeholder unions to work alongside us on solutions if they have concerns about the payment of their member's super.

This may include assisting members to follow up on missed payments.

We educate employers about super and the benefits of paying on time

AustralianSuper supports employers with a range of education materials to keep them up-to-date with superannuation changes. Information and support is available online and over the phone.

We remind employers that they can claim a tax deduction for super payments made on time and of the penalties that could be applied by the Australian Taxation Office (ATO) for non-payment of super.

We remind employers of super payment deadlines

AustralianSuper employers receive quarterly reminders when payments are due with information on how to make payment and tips on super administration.

Employers who've been subject to legal proceedings previously or who've previously agreed to payment plans with the fund receive an SMS reminder prior to the end of the SG quarter to remind them to make payment.

We follow up when payments are late through the arrears program

The AustralianSuper arrears program monitors non-payment and part-payment of super. Registered employers who are identified as not meeting their super obligations are contacted to determine the reason for non-payment and we then work with them towards resolution.

Two arrears communications are sent to employers to remind them to make payment. If no action is taken to resolve the situation, registered employers are then referred to AustralianSuper's credit collection agency, Industry Fund Services (IFS).

Employers with a history of legal proceedings or payment plans are referred to IFS in place of the second arrears communication.

Most employers respond positively to this contact and we're generally able to develop a mutually agreed upon solution for payment of late super, with members' interests as a priority.

The solution may be a payment plan which is agreed upon by the Trustee and the employer and which is monitored by AustralianSuper.

We value the relationship we have with union delegates and officials and are committed to working alongside you to bring about the best outcomes for members.

A right to super in the National Employment Standards (NES)

The NES are minimum employment entitlements that must be provided to all employees. From 1 January 2024, the NES includes a right to superannuation (super) contributions.

Including super in the NES ensures that most employees covered by the *Fair Work Act* can pursue unpaid super as a workplace entitlement, including through the Fair Work Ombudsman (FWO) or their union.

This is a significant change because individuals did not previously have legal standing to directly pursue the underpayment of super unless an entitlement was specifically included in their employment contract.

The Australian Taxation Office (ATO) will still retain primary responsibility for ensuring compliance with the super guarantee and associated obligations.

The FWO will continue to be able to refer matters of unpaid super to the ATO and, in appropriate circumstances, pursue unpaid super in a complementary role to the ATO, under both the new NES entitlement and in accordance with a term of a modern award, enterprise agreement, or other industrial instrument.

For more information, contact the FWO or visit **fairwork.gov.au**

Super clauses within an Enterprise Agreement

To help members get the most out of their super, here's a summary of key things to consider when reviewing and preparing super entitlements within an Enterprise Agreement (EA).

Default fund

Currently, employees who don't make an active choice of super fund and do not have a stapled fund advised by the ATO, will have their super paid to a default fund. Therefore it's important to check that there is a nominated default fund, or super clause.

Help and resources

Working with AustralianSuper

If you're considering AustralianSuper as a default fund, we can help you:

- provide comparisons on fees, returns and insurance
- run superannuation training for your bargaining team.

Keeping in touch

If you need assistance, please contact your Partnership Manager in each state:

NSW/ACT	James Nero **0448 881 778**
NSW/ACT	Helen Alesana **0456 549 210**
QLD/NT	Deneille Sutton **0448 064 464**
VIC	Andy Riley **0417 566 919**
VIC/TAS	Chris Kalomiris **0418 991 385**
VIC/TAS	Mark Spyker **0417 094 782**
SA/NT	Rebecca Townsend **0409 964 805**
WA	Michele Herbert **0437 260 602**

The 'stapling' measure

The 'stapling' measure came into effect from 1 November 2021, which means that most new employees who don't actively choose to change to the employer's default fund, will be 'stapled' to their existing fund. For more information on 'stapling' and other *Your Future, Your Super* measures, visit **treasury.gov.au** or **ato.gov.au**

We're here to help

Call **1300 300 273**
8am to 8pm AEST/AEDT weekdays
Visit **australiansuper.com/unions**

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