

Workplace relations



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CHANGES TO EMPLOYEE SUPERANNUATION FUND CHOICE RULES



FROM 1 NOVEMBER 2021, employers will need to undertake an extra step while onboarding new employees to comply with the choice of superannuation fund rules. Penalties may apply if the choice requirements are not met.

Under current rules, when onboarding new employees, employers can add them to their default superannuation fund if the employee has not chosen a superannuation fund. Going forward, for any new employees starting from 1 November 2021, employers will be required to contact the Australian Taxation Office (ATO) if the employee has not chosen a fund and check whether the employee has a “stapled fund”. If the employee has a stapled fund, the employer will need to make contributions to that fund as opposed to the employer’s default superannuation fund.

These provisions were enacted to prevent individuals from having multiple superannuation funds and to reduce fees associated with setting up new funds each time an employee changes jobs.

Employers will need to use the ATO’s online services and request their employee’s stapled super fund after they have submitted a Tax file number declaration or Single Touch Payroll pay event. To request a stapled super fund, the employer (or their authorised representative) will need to:

1. log into ATO online services.
2. enter the employee’s details, including:
 - TFN – an exemption code can be entered where an employee cannot provide their TFN, but this could result in processing delays
 - full name – including ‘other given name’ if known
 - date of birth
 - address (residential or postal), if TFN not given.

It is expected that employers will receive the stapled fund details within minutes and the ATO will notify the employee of the stapled super fund request and the fund details provided to them. Bulk requests can be made to the ATO for up to 100 new employees at once.

When to use default funds going forward:

From 1 November 2021, employers can only pay superannuation guarantee contributions into their default fund, or another fund that meets the choice of fund rules only if:

- an employee doesn’t choose a super fund, and
- the ATO has advised them that they don’t have a stapled super fund.

[For more information contact the ATO.](#)

This is provided as general information only. For more detailed and comprehensive industrial relations advice, you should contact the workplace relations advisors at 3237 8777. 

