

**SENATE ECONOMICS COMMITTEE INQUIRY INTO THE TAX LAWS
AMENDMENT (SUPERANNUATION REPORTING BILL 2004)**

ACTU SUBMISSION

December 2004

1. The ACTU is strongly opposed to the Bill, which seeks to remove the right of employees to be informed by their employers about the amount of superannuation contributions made on their behalf and the fund to which the contributions are made.
2. The Government justifies this proposal on the grounds that it is an unnecessary burden on employers, given that many already provide this information to employees through payslips, and that funds are required to provide members with their contributions record at least once a year.
3. The ACTU submits that no part of this claim is sufficient justification for removal of the reporting requirement.
4. Contrary to the claim in the Explanatory Memorandum, most federal awards do not contain provisions requiring such information to be provided, as they were removed by the Industrial Relations Commission as part of the award simplification process initiated by the *Workplace Relations and Other Legislation Act 1996*.¹ The provisions relating to payslips and the information to be contained in them were removed on the grounds that it was unnecessary due to Regulation 132B of the *Workplace Relations Regulations*, which prescribes the information to be included in payslips.
5. Paragraph 1(l) of Regulation 132B(1) states:

if the award, AWA or certified agreement or old IR agreement provides for superannuation contributions to be made by the employer for the benefit of the employee:
 - (i) *the amount of each contribution made for the benefit of the employee during the period to which the pay slip relates; and*
 - (ii) *the name of the fund to which the contribution was made.*
6. The problem is that employees not covered by an award, or whose award or agreement does not provide for superannuation contributions to be made, do not have an entitlement to information about superannuation contributions.
7. Where awards and agreements do provide for superannuation contributions to be made, they generally also include requirements about frequency of

¹ See Print P7500 at 18 and Print P9311 at 46-7

contributions. The Government's decision to amend the *Superannuation Guarantee (Administration) Act 1992* to provide for contributions to be made quarterly primarily benefits those employees not covered by an award or agreement containing superannuation provisions. The ACTU submits that the requirement for employers to provide relevant information quarterly, at least where it is not already provided through payslips, is a necessary corollary to quarterly contributions.

8. It is not correct that state legislation necessarily provides for superannuation information to be supplied in payslips. In NSW,² SA³ and Queensland,⁴ payslips are required to contain information about contributions, but not the fund to which they are paid.
9. Although state legislation generally provides that employers must keep certain records, including information about superannuation contributions and the funds to which they are made, and that these records must be made available to the employee on request, the reality is that many employees will not be prepared to ask their employer to sight their records at all, let alone on a regular basis.
10. The commencement of the choice of fund legislation on 1 July 2005 gives additional significance to the need for employees to be able to check that contributions are made, and to whom they are made.
11. Annual information from the fund will not allow employees to check in a timely manner that employers are meeting their obligations in full and without errors.
12. Employers who complain that this requirement is onerous are likely to be the very ones who will not meet their obligations, whether intentionally or otherwise.

The ACTU submits that the Bill should be rejected by the Senate or, at the very least, that it be amended to provide that quarterly information must be given by the employer to the employee unless both contributions and fund are specified in regular payslips.

² *Industrial Relations (General) Regulation 2001* s7

³ *Industrial and Employee Relations Act 1994* s102

⁴ *Industrial Relations Act 1999* s370