

DLK ADVISORY

ATO'S USE OF REAL-TIME DATA FOR SG COMPLIANCE



As technology improves, there's a continual move towards real-time data for enhanced and timely administration of the tax system, particularly in the superannuation sector. The ATO is leveraging this real-time data and event-based reporting to make inroads in ensuring employees receive their full super guarantee (SG) entitlements.

In the 2017-18 year, the ATO received 31,000 employee notifications regarding SG entitlements and contacted around 24,000 employers. It completed 19,000 SG entitlements cases which were initiated by employees and a further 13,000 SG audits and reviews based on risk modelling. Total liabilities raised by the cases were approximately \$850m.

On the back of that success, the ATO has continued to undertake additional SG casework through the current year financial year using funding from the SG taskforce. Thus far, it has completed around 537 cases and raised around \$22.8m in liabilities including \$3m in penalties. Most of the cases completed (65%) were from either NSW or Victoria. According to the ATO, it is on track to close over 2,600 cases from 1 July 2018 to 30 June 2019, raising around \$130m in liabilities.

As event-based reporting from large APRA funds improves – the ATO is currently receiving data for 55% of APRA fund members which equates to 17.47m members – ensuring employer compliance with SG obligations as well as monitoring whether super contributions caps are exceeded will become progressively easier and more timely.



Currently, event-based reporting through the ATO member account attributable service (MAAS) platform, includes information such as member's name, address, TFN, and date of birth. Changes to such details are reported to the ATO within 5 business days of the event. The ATO has also started to receive information from a few funds through the ATO member account transactions service platform, which includes details on employer contributions, non-employer transactions, retirement-phase events and notice of intent. Any changes to these details will usually be reported to the ATO within 10 business days of the event.

What this means for you is that for the first-time, there will be event based reporting on things such as employer contributions, employer SG, award payments, salary sacrifice, voluntary employer contributions, as well as details of the employer and the period of payments. By extension, the ATO will also know who has not received an SG payment from their employer.

This will be an enormous help for younger people that increasingly work in more transient industries and/or roles, who often don't find out that their employer has not been contributing to their super until years later or when the company collapses. It is envisaged the complete transition to event-based reporting will be completed by mid-2019 which will better enable the ATO to protect employees and ensure super caps and other changes to superannuation are attended to in a timely manner.

CONTACT

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