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Quarterly contributions reporting – what's the point?

The PSSap quarterly report helps Australian Government agencies ensure their employees receive the superannuation contributions they are entitled to.

Superannuation Guarantee legislation requires all Australian employers to ensure that the super contributions they make on behalf of employees (called employer contributions) are at least 9% of Ordinary Time Earnings (OTE).

However, most Australian Government agencies base super salaries for PSSap members on Fortnightly Contributions Salary (FCS). As a result, the total contributions made on behalf of members may fall short of the required 9% of OTE they are entitled to.

Rather than let these shortfalls build up, which would have an impact on members' earnings and be costly for agencies to reconcile later, the PSSap Rules require employers, on a quarterly basis, to reconcile contributions and report to members and ARIA about any shortfalls. In addition, the ATO requires that any shortfalls be paid to members in a timely way.

Reporting to members

At the end of each quarter, you must tell your PSSap members how much you have paid to the PSSap on their behalf, including basic contributions, any additional employer contributions and salary sacrifice amounts – the total amount must be expressed in dollars and cents, and as a percentage of OTE.

If the total is less than 9% of OTE, you must tell members the difference, in both dollars and cents, between the amount you have contributed based on FCS salaries and the amount they are entitled to.

Reporting to ARIA

Any shortfall amount must also be reported to us. To save you time and effort, we use the information you send us each payday through Employer Services Online (ESO) to create this report, so you do not need to do anything extra.

Paying shortfalls

Any shortfalls must be paid within 28 days of the end of the quarter if you are to meet your Superannuation Guarantee obligations. If you have identified that a shortfall amount needs to be paid to us on behalf of a member, simply pay that amount as an 'employer contribution shortfall' through your payroll system or enter it in the contributions grid in ESO.

The ATO specifies the following deadlines for payment of shortfalls:

Q1 – payment required by 28 April

Q2 – payment required by 28 July

Q3 – payment required by 28 October

Q4 – by 28 January in the following year.

All the help you need is online

To make reporting easy, ESO can generate the required reports for you. You will also find useful guides, along with templates for both the Quarterly Contributions Report and Quarterly Shortfall Report.

The reports that ESO generates are based on information provided to us by your agency in its fortnightly data submission. This is another reason why it is important that all the pays for the previous quarter, and any other information such as fortnightly OTE values, are submitted accurately and in a timely way.

You can access the quarterly reporting templates through ESO, in the Employer Centre at www.aria.gov.au. If you require any further assistance, just email or call us – our contact details are at the end of this newsletter.

Current topics

New PSSap Product Disclosure Statement (PDS) and Quick Guide coming soon

A new edition of the PSSap PDS and its corresponding Quick Guide will be available from late-March onwards, both online and in print.

The new edition has updated information about aspects of the PSSap which have changed since the last edition was produced. A new design makes it easier for members to find the information they need about the benefits, risks and costs of joining the PSSap. We have also included key forms they might need. As a result, the new PDS is very user friendly.

If the PSSap is your agency's default fund, then you **must** provide all new employees with access to the PSSap PDS when they commence. You can do this in a number of ways:

Coming up

For any of your employees are members of the PSS or CSS: we are working on updated editions of the PSS and CSS PDS. We will let you know when they are ready to order.

- > Include a copy in your induction packs.
- > If your agency prefers paper-free communications, you can send new employees an email with a link to the new PDS online at www.pssap.gov.au

How to order

To order copies of the new PSSap PDS and Quick Guide just select Order PSSap publications in the Employer Centre at www.aria.gov.au Don't forget to destroy any old copies you may have in stock.

Members will find many improvements on the new-look PSSap website



As part of the new, improved ARIA communications, www.pssap.gov.au has evolved and now provides members

with a more user-friendly structure which includes a 5-minute web tour. The tour is conducted by our virtual guide who shows members around the site and helps them make the most of its features. You might find the tour to be a useful tool for new employees joining the PSSap.

Coming up

For PSS and CSS members at your agency: we are working on applying the same improvements and functionality to www.css.gov.au and www.pss.gov.au We will let you know when they are launched.

Top questions about quarterly reporting

1. Why is the Quarterly Contributions Report bringing up over/understated values?

This generally happens because you have not reported all the OTE values for the quarter. This results in all reports being incorrect because they are based on the information you provide us in your fortnightly data submission. If the quarter has not closed you can adjust the OTE values in the next pay submission. If the quarter has closed, you will not be able to correct them in ESO and will have to produce the reports manually.

2. Do I have to produce a Quarterly Contributions Report if my agency only uses OTE as salary for superannuation?

Yes, you have to produce a quarterly report for PSSap members regardless of whether FCS or OTE is used. However, it is acceptable to provide employees on OTE salaries with this information on their payslips, as long as a dollar amount is provided.

3. I've run the quarterly report but I can't get it to display any shortfall - what should I do?

If none of your PSSap members have a shortfall, there will not be any individual member reports to display.

If this is the case, on opening the PDF version of the report you will see the text 'No members found matching the parameters entered' and there will be nothing else you need to do. However, if you suspect there is a shortfall, then check you have entered the correct date range in the report parameters or call us for assistance.

4. Our agency uses FCS. What happens if a PSSap member ceases on 29 March which falls in the next quarter for quarterly reporting purposes? What should we report on ESO and do we have to contribute?

You will need to report the OTE amount for the days worked, in ESO. If a member ceases before the pay day then no employer contribution is payable under the PSSap Rules. However, for quarterly reporting purposes and Superannuation Guarantee purposes you are required to pay 9% of the member's OTE so, an employer shortfall will occur. You can pay the shortfall amount through ESO.

5. Our quarterly reports do not contain the address that is provided in the Payroll Interface File (PIF)? Why is this and how can the correct address be reflected?

Initially, our system obtains the address that has been provided by you on behalf of the member. After this, it is the member's responsibility to advise us of any change to their address and only they can update their records. To do this, members can use Member Services Online, or email or call us. We are enhancing our system to allow addresses provided in the PIF to be updated each time a change is reported. We will let you know when this functionality is available.

6. Our agency puts information about super contributions on employees' payslips – do we still need to provide a quarterly report?

Yes, you do for employees on FCS salaries, because payslip information does not meet all the requirements which the quarterly reports need to cover. However, for employees on OTE salaries, you can use payslips to provide this information – see Question 2

Coming up

PSSap quarterly reports for Q1 will be due soon

The end of March is the end of the first quarter for 2007 and at that time you will need to provide each PSSap member at your agency with a report on what you have contributed to their super account. It is important to remember that any shortfall for a quarter must be paid within 28 days of the end of that quarter. For more information about quarterly reporting, see this edition's feature story and Top questions.

Simplification of super is on its way

The Government's simplified superannuation legislation, announced in last year's Budget, has been passed by Parliament and has an implementation date of 1 July 2007.

There are a number of changes that will affect administration of super arrangements for Australian Government employees. One of these is the need to collect Tax File Numbers for all members. ARIA will be communicating directly with members on these important changes through direct mail.

We will be sending you a special edition of Employer News very soon which will cover the importance of us being informed of the correct mailing addresses for members and also provide information and guidance on the Tax File Number issues.

We are also developing a number of online fact sheets to assist your employees navigate the changes, and will keep you up-to-date in Employer News.



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