



news

for employers

Tax File Numbers

Member addresses

Tax File Numbers for Scheme members

A change to the rule regarding TFNs for super purposes will come into effect on 1 July 2007, under the new simplified superannuation legislation.

New legislation on TFNs

Legislation was recently passed by Parliament that introduces significant changes to superannuation arrangements for members of the PSSap, PSS and CSS. This will have implications for members who have not provided a Tax File Number (TFN) to their superannuation fund.

We recently wrote to the head of your agency outlining the issues regarding TFNs.

What is the practical effect of the new legislation?

Essentially the new legislation (which applies to all superannuation funds) contains the following provisions:

- > It will prevent superannuation funds from accepting post-tax contributions made on behalf of members who have not provided their super fund with a TFN (this includes member contributions to the PSSap, PSS or CSS).
- > We may also be required to withhold taxation at the top marginal tax rate on any employer contributions (including salary sacrifice amounts in the PSSap).

How are we going to minimise the effect of these new provisions?

Given the potential significant consequences for members and the administrative difficulties for employers and ARIA, we are aiming to collect all members' TFNs before the new legislation takes effect from 1 July 2007.

We have found that across all three schemes, we have approximately 40,000 members without a TFN on our records, or for whom we have a TFN which is not valid.

Over the coming weeks our administrator, ComSuper, will be providing you with details of the employees that we require a valid TFN from.

We would ask that you collect and provide employees' TFNs through your fortnightly data reporting on Employer Services Online (ESO) as soon as possible.

PSSap

PSS

CSS

Issues

We understand that we may not have received valid TFNs from some of your employees because:

- > the employee has not provided you with the authority to pass it on to us
- > the employee has not provided a valid TFN to you; or
- > the employee has provided a temporary TFN and this has not been replaced with a valid TFN.

Whatever the reason, please advise relevant employees about the implications of not providing a TFN and seek their agreement to pass on their valid TFN to us.

To assist you in communicating this to your employees we have provided suggested copy for an email below.

Proposed changes to the business rules for data reporting

From 1 July 2007 we also propose to change the business rules in ESO to generate a 'fatal error' on the grid when an employer tries to remit member contributions and a valid TFN has not been provided.

We are currently examining the specifications for such a business rule and we will consult with employers and payroll providers as we go through this process.

Future reporting issues

As part of our examination of member records we have noticed some irregularities emerging in relation to the TFNs that we hold. One example is when a valid TFN is overwritten by a temporary TFN when a person moves to another agency.

We will be examining the range of issues that might arise and follow up with employers on any issues identified.

Suggested TFN email for you to send to relevant employees

Simplified super legislation will impact you – Tax File Number collection required

ARIA (the Trustee of the PSSap, PSS and CSS) has advised all employers that new legislation will be coming into effect from 1 July 2007.

This will prevent ARIA from accepting post-tax member contributions into the PSSap, PSS and CSS, where a member has not provided a valid Tax File Number (TFN). ARIA will also be required to withhold tax at the highest marginal rate on employer contributions (including salary sacrifice amounts) if a member does not provide a valid TFN.

On checking our records we have identified that a valid TFN has not been provided to ARIA because(**provide reason – e.g. you have not provided an authority for us to send it to ARIA**).....

So that future accruals in your superannuation fund are not affected and so that ARIA can continue to accept your contributions after 1 July 2007 we seek... (**state circumstance – e.g your authority to provide your tax file number to ARIA**).

Keeping members informed by keeping their mailing addresses up-to-date

Throughout the year, we have a number of important messages to communicate to PSSap, PSS and CSS members and you can help us to make sure that we get this message through

These important messages include the distribution of Member Statements, significant tax changes, allocation of interest for PSS and CSS members and new information about providing Tax File Numbers.

To ensure that members receive these messages, it is important that the member's mailing address is up-to-date and correct. You can do this through Employer Services Online (ESO), as part of your fortnightly data submission.

We use the address you provide us through ESO to communicate to members unless they have updated with us directly in the last six months through Member Services Online (MSO), our contact centre or via email/letter.

Please note that members who have requested Member Statements electronically will continue to receive it via email (via the email address provided to us).

How you can help us

You can help us by letting your employees know that we will be relying on the address you provide us to to contact them regarding their super.

To help you communicate this we have prepared some information you can pass onto your employees via email (see over page).

Also, by payday 5 April 2007, we ask that you try to have all members' mailing addresses correct and up-to-date.

This will reduce your responsibility in distributing direct mail on our behalf.



Suggested email to all employees who are PSSap, PSS and CSS members

Keep up-to-date with important superannuation issues in 2007

We have received advice from ARIA, the Trustee of the PSSap, PSS and CSS, that in 2007 there will be a number of issues which they would like to communicate directly with you.

ARIA will be sending this information directly to your mailing addresses in the first half of 2007.

ARIA will use the address you have provided to us unless you have updated your address with your respective scheme directly in the last six months, either through Member Services Online, your scheme Customer Service Centre or via email/letter.

What do you need to do?

Please provide us with your latest mailing address so we can pass this on to ARIA through our fortnightly data updates. Alternatively you can update your mailing address through PSSap, PSS or CSS Member Services Online, by email, or phoning the relevant Customer Service Centre (see contact details below).

Please note that if you have requested your Annual Member Statement be sent by email only you will continue to be sent it electronically until you request a change.

PSSap

WEB www.pssap.gov.au
EMAIL members@pssap.gov.au
PHONE 1300 725 171

PSS

WEB www.pss.gov.au
EMAIL members@pss.gov.au
PHONE 1300 000 377

CSS

WEB www.css.gov.au
EMAIL members@css.gov.au
PHONE 1300 000 277



Employer Help Desk

Email employer.help@comsuper.gov.au
Phone 02 6272 9993
Fax 02 6272 9816
Web www.aria.gov.au
(select Employer Centre)

At Work for You

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Phone 02 6263 6999