

# Department of Education and Training Victoria

For all school principals, all schools, business managers and SSO administrative staff.

## **Circular 209/2005 - Implementation of Choice of Superannuation Fund**

Following the passage of the *Superannuation Legislation Amendment (Choice of Superannuation Funds) Act 2004* (the Act) all employers are required to offer all eligible employees the opportunity to choose the superannuation fund to which they wish to direct their employer's superannuation contributions.

The provisions of the Act come into effect on 1 July 2005 and the Australian Taxation Office (ATO) has issued a copy of its publication "Choice of superannuation fund – guide for employers" to assist employers with implementation of the legislation.

The Act requires each employer to nominate a default superannuation fund for receiving the employer's compulsory superannuation contributions for those employees who do not exercise their right to choose a fund. The Secretary has appointed VicSuper Pty Ltd as the default fund for the Department of Education and Training including school councils.

From 1 July 2005 all employers have 28 days to provide a Standard choice form to all eligible employees. DE&T will provide a standard choice form to all employees on the central payroll as at 1 July 2005 and schools are required to provide a standard choice form to all eligible employees on the local payroll.

After 1 July 2005 schools are required to provide a Standard choice form to all new eligible employees regardless of whether they are paid via the central or local payroll.

The document attached on the following pages provides advice for schools on the administrative obligations arising from the implementation of the Act and the contacts for further information.

**Jeff Rosewarne**  
Deputy Secretary  
Office of Resources Management & Strategy

## Administrative Arrangements for the Implementation of Choice of Superannuation Fund Provisions

Following passage of the *Superannuation Legislation Amendment (Choice of Superannuation Funds) Act 2004* (the Act) all employers are required to offer all eligible employees the opportunity to choose the superannuation fund to which they wish to direct their employer's compulsory superannuation contributions. The Act and Regulations for choice of fund apply from 1 July 2005.

Schools will have a role in both the implementation of this legislation and the ongoing administration of its provisions for all eligible employees located at the school. Schools will be acting on behalf of the Department of Education and Training (DE&T) for employees paid on the central payroll and in their capacity as an employer for staff paid on the local payroll.

Implementation of the provisions of the Act require schools to make arrangements to provide all eligible employees on the school's payroll as at 1 July 2005 with a Standard choice form by 29 July 2005. DE&T will undertake these arrangements for staff paid on the central payroll.

### Default Fund

The Act requires the employer to appoint a default superannuation fund to receive the compulsory employer superannuation contributions for those employees who do not exercise choice. The Secretary has appointed VicSuper Pty Ltd as the default fund for DE&T including school councils.

### Action required by Schools for Centrally Paid Staff

The Act requires employers to provide all eligible employees as at 1 July 2005 with a Standard choice form by 29 July 2005. DE&T will issue a Standard choice form via email to all employees on the central payroll as at 1 July 2005.

After 1 July 2005 schools are required to provide a Standard choice form to all new employees and record the date the form was provided. Schools will need to ensure their induction procedures are revised to include the Standard choice form as part of the documents required to be given to all new employees.

For all employees hired or rehired after 1 July 2005 by schools and paid on the central payroll, a new checklist item on the Employee Checklist drop down box on HRMS titled "Choice of Super Fund form" needs to be completed. When an employee has been handed a Standard choice form the HRMS user must scroll down the Employee Checklist and locate the "Choice of Super Fund form" field and:

- choose "satisfactory" from the drop down box; and
- record the date the employee was handed the Standard choice form.

Standard choice forms for new centrally paid employees **only** are available at [http://www.eduweb.vic.gov.au/edulibrary/public/hr/empconditions/Super\\_Choice\\_Form.pdf](http://www.eduweb.vic.gov.au/edulibrary/public/hr/empconditions/Super_Choice_Form.pdf)

At the time of appointing an employee on HRMS, schools are to ensure the employee is enrolled in the VicSuper fund as the employer superannuation fund. **All processing resulting from an employee exercising choice will be undertaken by staff within the Corporate Services Division of DE&T.**

Eligible employees paid on the central payroll on or after 1 July 2005 who return the Standard choice form along with the required documentation to the school are to be directed to forward these documents to:

Superannuation Officer  
Corporate Services Division  
Department of Education and Training  
GPO Box 4367  
Melbourne 3001

## Action required by Schools for Locally Paid Staff

Schools are required to issue a Standard choice form to all eligible employees who are paid on the local payroll as at 1 July 2005 by 29 July 2005. A copy of the form which schools are to use is available at

[http://www.eduweb.vic.gov.au/edulibrary/public/hr/empconditions/Super\\_Choice\\_Form\\_SCH.pdf](http://www.eduweb.vic.gov.au/edulibrary/public/hr/empconditions/Super_Choice_Form_SCH.pdf)

This form has been pre-populated with VicSuper's details in the relevant sections of the form and schools **must** complete the employer details before giving the form to employees.

The Australian Taxation Office (ATO) has identified a number of record keeping requirements to ensure employers are meeting their obligations under the Act. The ATO require these records to be kept for five years. These include:

- recording the date the choice of fund form is provided to employees;
- a list of eligible employees as at 1 July 2005; and
- a list of employees who were ineligible and the reason for their ineligibility.

### Eligible Employees

To ensure compliance with the Act schools will need to determine which employees paid on the local payroll are eligible to be offered Choice of Fund. The following employees are **not** eligible for choice of fund:

- members of an unfunded public sector scheme (i.e. Revised Scheme, New Scheme, State Employee Retirement Benefits Scheme or the Married Women's Fund);
- Employees whose employment ceases within 28 days of commencing employment with a school;
- Employees employed in accordance with the Victorian Public Service Agreement 2004.

Due to the nature of their employment casual relief teachers (CRT) are considered for the purposes of the Act as "new" employees each time a school employs them regardless of whether the CRT has previously been employed by the school. Where the employment of the CRT does not exceed 28 continuous days of employment then schools are not required to provide a Standard choice form to the CRT.

Where a school employs staff on an annual basis involving ad hoc attendance, schools are to provide a Standard choice form to these employees.

Any current school council employee who does not meet one of the categories listed above is to be provided with a Standard choice form by 29 July 2005.

The Standard choice form for locally paid employees **only** is available at [http://www.eduweb.vic.gov.au/edulibrary/public/hr/empconditions/Super\\_Choice\\_Form\\_SCH.pdf](http://www.eduweb.vic.gov.au/edulibrary/public/hr/empconditions/Super_Choice_Form_SCH.pdf)

Schools must complete the employer details before giving the form to the employee. Schools also need to ensure they record the date they provided the Standard choice form to the employee.

Upon receipt of a completed form schools must ensure the employee has attached all the necessary documentation before actioning the employee's request. As the Act imposes a two month limit on actioning an employee's request, the form together with all required documentation must be date stamped on receipt.

Where no form is received from locally paid employees schools are to direct any compulsory employer superannuation contributions to VicSuper Pty Ltd.

### **Employees hired or rehired after 1 July 2005**

For any employee who is hired or rehired after 1 July 2005, schools are required to provide the employee with a Standard choice form. Schools will need to ensure their induction procedures are revised to include the Standard choice form as part of the documents required to be given to all new employees.

The process outlined above for employees hired or rehired before 1 July 2005 relating to the receipt of choice of fund forms also applies to employees hired or rehired after 1 July 2005.

### **Application to become a “Participating Employer”**

Some superannuation funds require an employer to apply to become a “participating employer” to enable the fund to receive employer contributions. Any school that receives a request to sign an application form is **not** to sign the form. The matter is to be referred to the Department's Superannuation Officer located within Corporate Services Division on telephone number 9637 3274.

### **Further Information**

General information on the requirements of the legislation is available on HR Web or from the HR Call Centre on 1800 641 943.

Information regarding becoming a participating employer is to be referred to the Department's Superannuation Officer on telephone number 9637 3274.

The Australian Taxation Office has general information regarding choice of fund available at [www.superchoice.gov.au](http://www.superchoice.gov.au)