

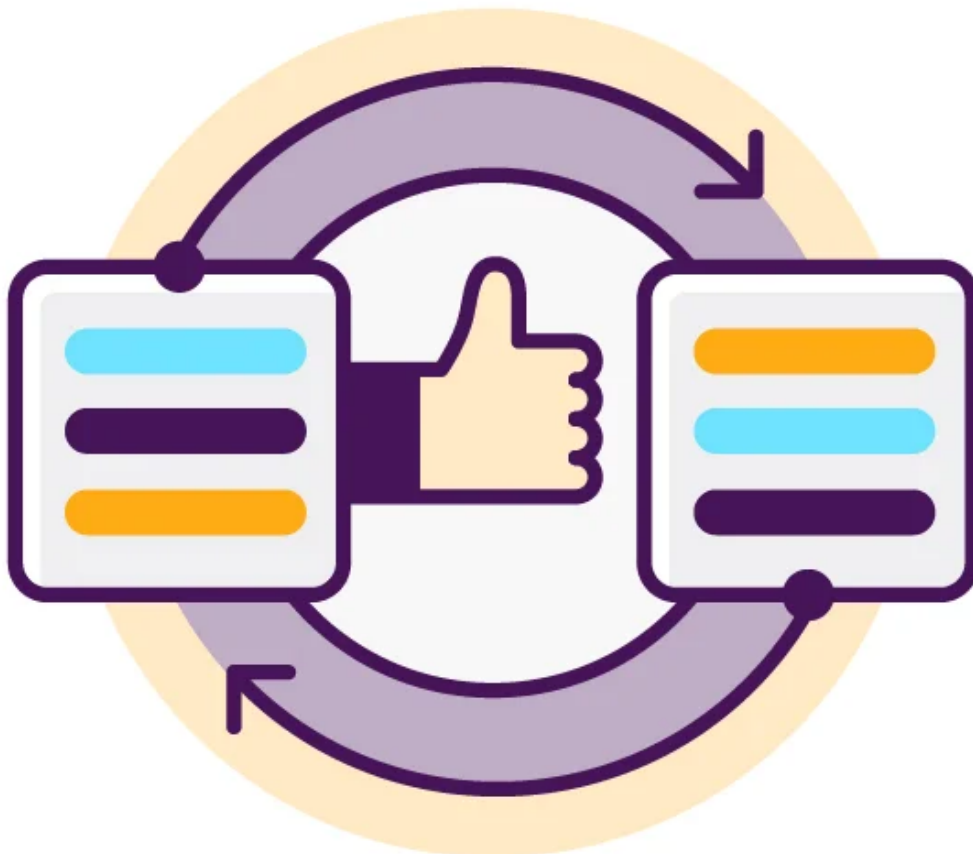


e-News

Monday, 17th July, 2023

Newsletter No 103

ATO to use Data Matching for Super Non-Compliance



Employers intentionally not paying their employees' super has always been a concern of mine. If you follow my Twitter account, you may have seen the hashtag I use: "#notyourmoney". This is because employee superannuation is not your money and

never will be. These irresponsible employers really bother me. It is completely wrong to hire people and then fail to fulfill the contract you agreed upon, which includes paying their super. In my opinion, not paying super is equivalent to stealing.

In the past, employers were able to get away with this unacceptable behavior because the Australian Taxation Office (ATO) only found out about it when employees reported them. At that point, the ATO would investigate, audit, and penalise these employers. This reactive approach has resulted in an estimated \$2.5 billion shortfall in unpaid super. It is truly disgraceful.

But things are about to change.

In the 2023-24 Federal Budget, it was announced that the ATO will receive \$40.2 million for super compliance measures. This funding includes \$27 million for data matching capabilities to identify and take action on cases of Superannuation Guarantee (SG) underpayment, as well as \$13.2 million for consultation and co-design.

So what does this mean? Who will the ATO be data matching with?

Firstly, it is now widely known that the ATO receives payroll data from employers through Single Touch Payroll events (STP). This data includes the superannuation amounts owed to super funds. The ATO also receives information about employees' super from the Australian Prudential Regulation Authority (APRA) through the Member Account Transaction Service (MATS). MATS is a reporting service used for more frequent and detailed reporting of member super contributions and transactions. The ATO utilises the information from both sources to identify potential non-compliant behaviour by employers.

With increased funding from the budget, the ATO will intensify data-matching activities between STP and MATS. This shift from a reactive to a proactive approach means that the ATO will be able to initiate audits themselves instead of relying on employees to report non-compliance after the fact.

It is important to note that this data-matching activity is not new. It has been ongoing since 2019, with the ATO reporting a 24% increase in investigations of super non-compliance. What is new is the improved data matching capabilities enabled by better technology and more comprehensive STP data.

The ATO is now more focused than ever on addressing super non-compliance. They have the necessary tools and resources to conduct investigations and audits on a large scale.

This brings me joy. I sincerely hope the ATO succeeds in its efforts. I have a strong aversion to employers who think they can evade paying super. It is essentially stealing, a white-collar crime. Thanks to the ATO's real-time monitoring, the likelihood of getting away with non-payment of super is rapidly decreasing. And that is definitely a very good thing!

Latest Articles

What NOT to include

Xero Tips and Tricks

DO NOT
INCLUDE

In Payslips for Paid Family & Domestic Violence Leave

Something important to call out in relation to paying this leave is the information that is prohibited from being included on the employee's payslip.



Here is my list of useful tips and tricks that I use when wrangling Xero. I'll try to keep adding new tips etc as I discover them. I hope you find them useful.



New Paid Family & Domestic Violence Leave

Employees (full-time, part-time, and casual), will soon be able to access 10 days of paid family and domestic violence leave in a 12-month period. This will replace the current 5 days of unpaid leave available to affected employees.



ATO STP Filing Error Codes – what do they mean and how do you fix them?

If you haven't set up payroll for STP 2 purposes correctly, you will experience ATO filing errors. See here how to fix these, including a full list of error codes.

Subscribe to e-News

e-BAS Accounts

PO Box 3128

Grovedale VIC Australia 3216

www.e-bas.com.au



1300 660 655

louisem@e-bas.com.au

You received this email because you signed up on our website or you are our client.

[Unsubscribe Now](#)

