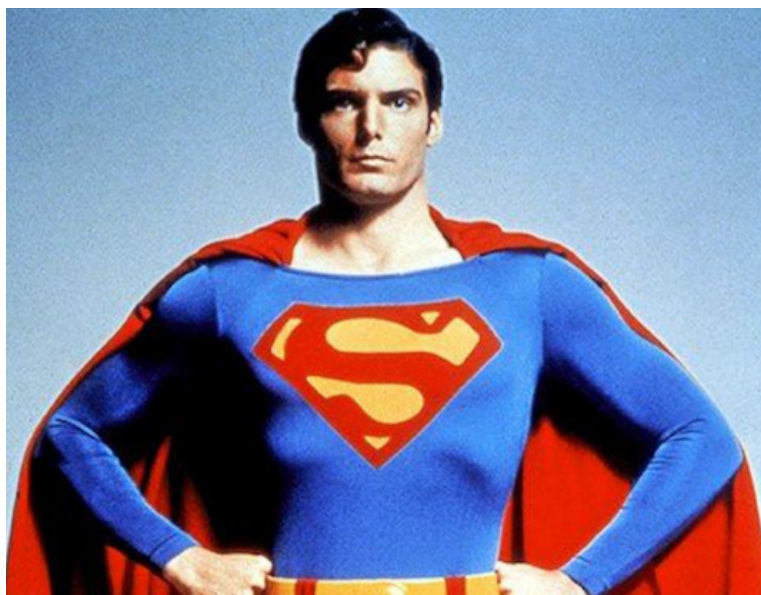


Do you know what your business **Default Super Fund** is?

by Tara Carman



Are you a small business owner who has asked an employee over and over for their super information and haven't yet received it? Would you like to get on top of their super payments, so that you can get back to the busy life of business ownership?

This article follows numerous requests from small business owners wanting to know more about default and stapled super funds. Since this article is a summary only and general in nature, we at Maple encourage you to use the below links to learn about the topic in more detail.

What is a default super fund and why do you need one?

Most business owners already know that they are required to offer new staff who are [eligible to choose](#) their super fund an [ATO Super Choice Form](#) within 28 days of their start date. Did you also know that each business is also required to have something called a **Default Super Fund** from the time they began to hire staff?

Put simply, **Default Super Funds** are super funds which enable businesses to meet their super guarantee obligations when an employee doesn't provide the business owner with the details of the employee's super fund. It's a 'when all else fails' place to pay employee super when you have no place else to pay it.

Not every super fund meets the criteria for a Default Super Fund. The fund you nominate must be a complying fund (as per super law) and be registered by the Australian Prudential Regulation Authority (APRA). You can check if a fund meets these requirements by contacting the fund you are interested in, by downloading a recent [APRA list](#) of complying funds or using [Super Fund Lookup](#) to look up a default fund. At last check, there were over 1,000 complying funds to choose from. A little overwhelming, to say the least.

According to [Fair Work](#), "employers should check their modern award or enterprise agreement for extra rules about default funds. Most awards set out a list of super funds from which an employer is required to nominate a default fund."

What are the potential consequences for you if an employee doesn't give you their super details?

The answer to this question can be found in Maple's article titled [Paying Quarterly Employee Super](#).

What about Stapled Super Funds?

A **Stapled Super Fund** is an existing super fund which is linked to a specific individual. If you have a super fund, chances are it is a stapled one.

Businesses who have trouble getting their hands on employee super fund details are now required to check with the ATO (via [Online Services for Business](#)) to request an employee's stable super fund details. If there is one, employers must pay super into the employee's stapled fund, instead of into the business default fund.

One of the main reasons the new staple super fund rule was added in 2021 is because some employees have ended up with multiple super funds. This would particularly be true for employees who are in the habit of not providing employers with super fund details. They may have had a different default super fund opened on their behalf by each of their employers.

Here's a summary of the [steps](#):

1. [Select a default super fund](#) as soon as you are ready to hire your first employee. If you already have employees and haven't yet chosen a default fund, save yourself time, stress and money by making this a priority.
2. Provide employees with an [ATO Super Choice Form](#)
3. If you don't receive the completed form back from the employee soon after providing it to them, and after having exhausted all attempts to receive it, contact that ATO via [Online Services for Business](#) to request the employee's [Stapled Super Fund Details](#). You will need the employee's Tax File Number (TFN), full name, date of birth and address.
4. If the ATO confirms the employee has a Stapled Super Fund, pay their super to the Stapled Fund.
5. If the ATO confirms the employee does not yet have a Stapled Super Fund, pay their super to your business Default Fund.

If you have gone a little cross-eyed while reading this article and need some assistance, you are not alone. It's far from a straight-forward process for those who don't do it on a regular basis. If you get stuck, contact your tax or BAS agent for assistance.

[Did you find this article helpful? Do you have anything to add? Is there a particular topic that you would like Maple to write a future article about?](#)

[If yes, please contact us on 0404 715 312 or \[tara@maplebooks.com.au\]\(mailto:tara@maplebooks.com.au\).](#)

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