

# Super Factsheet - Modern Awards & Super

**Modern Awards (MA's) are an initiative of the Federal Government. They are a set of 122 industrial and occupational awards that replace over 1500 existing awards from 1 January 2010.**

The Awards are part of a comprehensive review and reform of Australia's National Employment Standards.

All but nine of the MAs include superannuation provisions which list a super fund(s) as the default fund applicable to employees covered by the Award. The following clause is usually included:

**“any superannuation fund to which the employer was making superannuation contributions for the benefit of its employees before 12 September 2008, provided the superannuation fund is an eligible choice fund.”**

This clause means that an employer who made a contribution to Accountants Super prior to 12 September 2008 can nominate Accountants Super as their default fund (in place of any of the funds that are specifically named in the relevant MA). Employers that are currently using Accountants Super as their default fund who meet this criteria can continue to use Accountants Super as their default fund.

It doesn't matter if the contribution (before 12 September 2008) was made because Accountants Super was the default fund at the time, or because an employee(s) had elected Accountants Super as their chosen fund under Superannuation Choice.

## **What about Superannuation Choice?**

Super Choice still applies. SG contributions for employee's who can and have exercised choice should continue to be directed to the employee's chosen fund.

## **What about employees with Post-Tax Contribution Arrangements?**

For employees covered under MAs post-tax contributions must now be paid within 28 days following month end. If the employer pays salary sacrifice and SG contributions on a quarterly basis currently they may need to review this practice.

## **If employees are covered under multiple Modern Awards is the employer required to have multiple default funds?**

Not necessarily - If the business is paying into multiple Superannuation default funds to comply with multiple awards the opportunity may exist to consolidate to one default fund and continue to be compliant under Modern Awards. Employers may be able to nominate as the default fund any eligible fund they have made a contribution to prior to 12 September 2008.