

## **IMPORTANT NEWS ON ACCESS TO THE SMALL BUSINESS SUPERANNUATION CLEARING HOUSE (SBSCH)**

### The Preamble-

The use of Superannuation Clearing Houses for businesses to pay their superannuation obligations has been compulsory for quite some time. The legislation clearly states that the non payment of quarterly superannuation by the due date renders the expense of that particular superannuation payment non tax deductible.

What this means is that for a profitable business it is an effective fine of 27.5% of the superannuation payment that has failed to be paid on time, a very expensive fine indeed, even if you are a day or two late.

The effect is that the Australian Taxation Office (ATO) is monitoring the timeliness of all businesses in relation to paying their staff superannuation obligations, this also means that of the directors.

### The Process-

A superannuation clearing house allows you to make a single online payment for superannuation contributions to all employees' super funds electronically. After registering the superannuation preferences of your employees with the clearing house, you simply login each payment cycle and make a single electronic transfer to the clearing house. The clearing house then distributes the required payments to all your employees' super funds on your behalf. Not only does it save you time but it also minimises the risk of payment errors.

The Changes-

1). From 26<sup>th</sup> February 2018, access to the Australian Tax Office's Small Business Superannuation Clearing House (SBSCH) will change for all businesses using this portal to pay their employees Super Guarantee obligations. The main change will be that the ATO's SBSCH will merge into the Taxation Office's Business Portal and as a result the SBSCH will have a new look and feel.

2). The way you access the new clearing house will also change. The current user ID and password combination currently used to access the ATO's clearing house won't be recognised by the new online system. To access the new Superannuation Clearing House system, you must obtain an authentication credential, either an AUSkey or Manage ABN Connections via myGov.

To manage the transition to the new system as effectively as possible, the SBSCH will be unavailable **from Tuesday 20 February 2018 to Sunday 25 February 2018** inclusive. During this time the ATO will be transferring all data across to the new system.

**The last super contributions you can make using the old system will be 3pm AEDT, Monday 19 February 2018.**

The Tax Offices' Superannuation Clearing house is only available to employers who:

- 1) Have less than 20 employees;
- 2) Their aggregated turnover is less than \$10 million



## OBTAINING NEW AUTHENTICATION CREDENTIALS



**To continue to use the ATO's clearing house, your business will need to obtain either an AUSkey or you can connect an ABN to your myGov account through Manage ABN Connections.**

These credentials securely identify you as being able to act on behalf of a business, maintaining confidentiality and integrity of your business information. Obtaining either of these credentials is a one-off process – you won't have to register every time.

The ATO has confirmed if you already have an AUSkey to access other government services, you can use it to log in to the business portal and access the ATO's clearing house. You will however need a separate AUSkey for each ABN you are associated with. If you've forgotten your password, you'll need to register for a new AUSkey as your AUSkey password can't be reset.

Bookkeepers can also be granted clearing house access from a business associate registered on the Australian Business Register.

## ALTERNATE SUPERANNUATION CLEARING HOUSES



**If you do not wish to use the ATO's clearing house, now might be a good time to consider if switching to MYOB's Pay Super or Xero's automated super payments system is right for you and your employees**

If you are using *AccountRight Plus*, *AccountRight Premier* or *XERO with payroll*, after you have recorded pays for your employees, you can make super payments to your employees' funds directly from the software allowing you to meet your employee super obligations in a flash and always staying on top of government changes, including SuperStream.



If you do not use one of the above accounting packages in your business, then most super funds provide access to a clearing house service, and will help you set up your account. There are also a number of private super clearing house service providers.

For help deciding which authentication credential is right for your business or whether using another clearing house is a better option please contact this office.