Australian Government
Australian Taxation Office

SuperStream

Member Account Transaction Service (MATS)

The Future of Super Reporting

Improving member visibility of their total super holdings through creation of event-based reporting by APRA funds

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Context

The ATO, in partnership with industry is embarking on a major design process to reconsider how APRA funds can report member information in a more contemporary way to improve the client experience.

The fundamental change is shifting the current Member Contributions Statement (MCS) annual reporting to event-based near real time reporting, leveraging on the SuperStream asset already operating across the industry.

This reform will meet a growing need to provide the member with more up to date account information which is not possible in the current annualised reporting regime.

The scope of change under consideration will endeavour to provide greater visibility of super guarantee payments; satisfy some elements of Single Touch Payroll and will fully support the additional reporting required under Budget 2016 reform.

MCS Redesign

The design splits the current annual MCS into two event-based services:

Member Account Attribute Service (MAAS)

This service is for funds to report changes to a members account when it occurs (no change means there is no obligation to use the service, minimising reporting) – changes include for example when an account is opened or closed, the phase of the account (accumulation/retirement) what indicators are linked to the account and what transactions that account can receive. This will provide up to date information and allow the ATO to display accounts in a timely manner as well as improve the interaction with funds, significantly reducing reverse workflow.

Member Account Transaction Service (MATS)

This service is for reporting of member information more frequently and at a transactional level. Although the design is in its infancy, the concept will see member data reported at an event/transactional level as opposed to the current method which has contribution information rolled up into yearly amounts and reported annually. This granular level detail provides opportunities to use the data for member display purposes, allowing a member to track and monitor accounts. This also provides a mechanism to provide greater visibility of super guarantee payments; satisfies some Single Touch Payroll obligations and would support the pension reporting required as part of the Budget 2016 changes.

The MAAS service will be deployed to industry in 2018 with the MATS service design scheduled for 30 June 2017 with commencement from July 2018.

Member Benefits

Moving from annual reporting to event-based reporting will deliver many efficiencies and benefits across the superannuation industry and ultimately support a members long term retirement investment. By leveraging on the SuperStream asset, already widely used across the industry, this design will help to deliver a durable and sustainable reporting solution able to withstand future policy change.

- Improved and more regular reporting of contributions will assist fund members by providing visibility of contributions made by their employer(s) in a much more timely way. It will also allow the ATO to better monitor employer compliance with Super Guarantee law by providing timely data on actual payments made to an employee's fund, allowing the ATO to detect any non-compliance much closer to the date the payment was due, allowing us to take timely action and improving the recovery of the member's money.

- When combined with the improved reporting offered by the introduction of Single Touch Payroll, a holistic and timely picture of an employee's entitlements and employer's payments will be available for both the member and the ATO.

- Receiving notification when a trustee has received an amount for a member provides greater assurance that the member has received super guarantee from the employer, and will also support improved ATO interactions with employers who either fail to pay or pay super guarantee late.

- The contribution data will be more accurate (fund would have verified, checked and allocated the monies to an account).

- The ATO will receive contribution data in respect of the overwhelming majority of employees (from all APRA funds), not just those who are STP employers. This will mean the ATO will receive contribution data for the most at risk employees.

- Regular reporting will enable members to have the ability to obtain up-to-date information across all their funds in one location to support them in understanding their superannuation position to make informed decisions. Members will also be provided with assurance that their employee contributions are being received by their fund.

- Obtaining superannuation contribution information more regularly will enable the ATO to support individuals in maximising their contributions, assist them in understanding their total super balance and transfer balance cap position, as well as reducing the number of taxpayers who exceed their thresholds resulting in additional tax liabilities.

MATS Design Principles

1. Provide a greater overview of superannuation for a member in a more frequent manner.

2. Design for the best outcome, not for legacy systems, put existing system designs aside. Focus on delivering electronic solutions - digital by default where possible.

3. Tell us once – collect data and share across the agencies to reduce duplicate reporting and take a whole of Government approach where it is cost effective to do so.

4. Leverage on SuperStream message patterns and reuse – where possible.

5. Future-proof the design to allow a flexible framework that can absorb future government policy requirements to reduce the cost of build.

6. Integrate the design with other changes, to reduce the need for additional unique builds, i.e. Super Reform/Single Touch Payroll.

7. Taxonomy must be clearly defined and agreed to, be clear about the intent and use of the granular data collected, including the frequency required.

8. Design to allow corrections and amendments to data, single or batch.

9. Don't over-engineer the design– keep it simple.

10. Separate implementation issues from the design process.

Service Options

The ATO and Industry have collaborated on what the service could look like. Here are three options being discussed:

Option 1 – Multiple service actions and payloads

This option allows a different service action for each of the different transactions and support amendments to the original report.

Interaction	Payload	Purpose
MATS - C	MATS - C	Reporting of contribution
MATS - CA	MATS - C	Reporting of amended contribution
MATS - WU	MATS - C	Reporting of 'annual' contributions *Amendment of annual contributions would be another request*
MATS - NC	MATS – NC	Reporting of non-contribution Reporting of account balance
MATS - NCA	MATS – NC	Reporting of amended non-contribution *No requirement to amend/correct a historical account balance (unless June 30 which is reported through MATS-WU)*

Option 2 – One web service with flat data structure

Superfund Information			
Member Information			
Contribution Information			
	Amendment Indicator		
	Transaction ID		
	Transaction Date		
	Start Date		
	End Date		
	Account Balance		
	Vested / Withdrawal Benefit Amount		
	Employer Contributions		
		Employer Information	
			Employer ABN / WPN
			Employer Name
			Employment End Date
		Employer Contributions SG Amount	
		Employer Contributions Award or Productivity Amount	
		Employer Contributions Salary Sacrificed Amount	
		Employer Contributions Voluntary Amount	
	Personal Contributions		
		Taxed Personal Contribution	
		Deducted Personal Contribution Amount	
		Non-deducted Personal Contribution Amount	
	Third Party Contributions		
		Spouse Contribution Amount	
		Child Contributions Amount	
		Other Third Party Contribution	
	Election Contributions		
		Capital Gains - small business retirement exemption Amount	
		Capital Gains - small business 15 year exemption Amount	
		Personal Injury Amount	
	Notional / DB Contributions		
		Notional Taxed Contribution	
		Defined Benefit Contribution	
	Foreign Fund Contributions		
		Assessable foreign fund amount	
		Non-assessable foreign fund	
	Transfer from Reserves Contributions		
		Transfers from reserves - assessable amount	
		Transfers from reserves - non assessable amount	
	Rollover		
		Taxable Component Taxed Amount	
		Taxable Component Untaxed	
		Taxfree Component Amount	
		Destination Details	
			Transferring Fund ABN
			Transferring Fund USI
			Transferring Fund Member Account Number
	Retirement Phase Event		
		Superannuation income stream	
		LRBA payment amount	
		Reversionary income stream	
		Child death benefit income stream amount	
		Reversionary child death benefit income stream amount	
		Member Commutation Amount	
		Commissioners Commutation Authority Details	
			Commutation Amount
			Commutation Reason
		Commutation paid directly to member indicator	
		Personal Injury (Structured Settlement) amount	
		Income streams stops being in the retirement phase	
		Third Party Details	
			TFN
			Name
			Date of Birth

> One interaction covering contributions, non-contributions, and amendments
> Consistent data structure though requires a change to TBAR reporting format to be 'flattened'
> Potentially less initial upfront work though subsequent regression impacts may be higher
> Amendments via amendment indicator, re-reporting of the 'transaction id', and the updated value/s

Disclaimer: Data elements are indicative only

Option 3 – One web service with listed data structure

Superfund Information		
Superfund ABN		
Superfund USI		
Person Information		
TFN		
Title		
Family Name		
Given Name		
Other Given Name		
Sex		
Date of Birth		
Address Line 1		
Address Line 2		
Locality		
Postcode		
State or Territory		
Country		
Member Information		
Member Account Number		
Applied Transaction Period		
Amendment Indicator		
Transaction ID		
Transaction Date		
Start Date		
End Date		
Transaction Type		
Transaction Amount		
Credit / Debit		
Account Balance		
Vested / Withdrawal Benefit Amount		
	Employer Information	
	Employer ABN / WPN	
	Employer Name	
	Employment End Date	
	Third Party Information	
	TFN	
	Name	
	Date of Birth	
	Transferring Fund ABN	
	Transferring Fund USI	
	Transferring Fund Member Account Number	
Commutation paid directly to member indicator		

> One interaction covering contributions, non-contributions, and amendments
> Having a list data structure potentially minimises impact in implementing future changes
> Member information split between 'person' and 'member' to support multiple transactions across multiple accounts for the same individual within the same message
> Concessional/non-concessional not included as a data element, determined by "Transaction Type"

Includes:
- Contributions as per prior options
- TBAR events
- Rollover
- DHS

Could be incorporated within the transaction type but would require change to TBAR reporting structure

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Top Issues Identified

Over the course of the design work, a number of issues have been raised which need further consideration:

1. Architecture

a. How do we define transactions?

b. What does this mean for event-based transactions versus aggregated amounts?

c. Why are non-contributions required?

d. What is the frequency?

e. Some elements may only need to be provided annually

f. What would be the ATO treatment?

g. Is a rollover reported as a contribution?

h. When do transactions need reporting?

i. Should there be multiple services or one single message?

2. myGov – Account Balance

a. The ATO cannot provide an accurate balance, therefore what should be displayed on MyGov? For example there are extra fees that aren't taken into consideration.

b. What client experience are we looking to provide?

c. ATO balance information may not align with what the member expects to see

d. Large overhead to provide accurate balances, as balances sit in the websites, not the registry systems.

e. What would be the frequency required?

f. Would it be better to refer members to the Fund portal?

3. Employer Data

a. How do we manage gaps in data?

b. Not all funds hold the Employer details

4. Amendments

a. How do we design for corrections and alterations?

b. How do we link original and amended transactions?

c. How do we manage historical amendments?

5. Sharing Data

a. Is there an opportunity to include DHS reporting requirements in this design?

b. There is a common expectation that the ATO connect with DHS early in the process to determine if there is any synergies.

6. Release Authorities

a. There is still a preference to digitise Release Authorities, what is the best longer term design?

b. What is the right design for Commissioner Commutation Authority (CCA)

Timeline

Provide a summary of the reporting solution progress to the wider industry by mid to late May 2017

May 2017

Broad industry consultation on a solution overview in first half of June 2017

Early June 2017

May 2017

A draft spreadsheet of reporting elements for initial industry consultation in the week commencing 8 May

May 2017

Prepare the business case that defines the intent and value proposition to accompany the agreed reporting solution to be taken to senior industry representatives from late-May 2017

End June 2017

Fine-tune the solution based on industry feedback to establish an agreed solution overvew mid to end-June 2017