



# Employer quickguide

## Contributions in Arrears

### [Section 156 of the *Superannuation Act 1976*, Instruction 6.15 of the Superannuation Manual]

Occasionally, members may pay less contributions than they should.

Members must pay member contributions at their nominated percentage rate of their salary for super. If contributions are short paid, the Trustee has the power to take recovery action. [Section 156 of the *Superannuation Act 1976*]

You should ensure that any instances of short paid contributions are quickly rectified to minimise any potential loss of earnings.

We will notify you when a problem exists. As the member records we keep are based on information provided by you, it is very important that all the information you submit is correct.

You should always check information from us carefully to verify that contributions are in fact incorrect. It may be that you have simply forgotten to provide information such as part-time hours or the correct salary for super.

Although you will not be contacted in **all** arrears situations, you will be notified where there is an ongoing short payment. Arrears of member contributions are also shown on the member's annual information statement which advises them to contact their personnel section.

You must notify the member of any arrears in member contributions so that recovery action can be arranged and also ensure the member is aware that arrears may have repercussions on any future benefit.



The arrears should be deducted from the member's pay within 13 paydays (in addition to normal contributions).

If this arrangement will cause the member financial hardship, an application for payment over an extended period should be forwarded to [employer.service@admin.csc.gov.au](mailto:employer.service@admin.csc.gov.au) for consideration. This should give reasons for the request and nominate a reasonable fortnightly recovery rate. A covering note and recommendation from the personnel officer should also accompany the application.

Recovery of the arrears at the rate nominated by the member should commence immediately pending resolution of the application by us.

If a CSS member is paying more than the basic 5% contributions, arrears will be deducted from the supplementary contributions. You should notify the member to determine whether they are happy to have their supplementary contributions reduced or whether they want the short payment recovered.

In all circumstances, arrears of productivity (EPSC) should be paid as soon as possible. Productivity contributions must be paid fortnightly on every payday that the member is due to contribute. If this does not occur, penalty interest may applied.

### **[Section 110H(1) of the *Superannuation Act 1976*]**



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