



Australian Government  
Australian Taxation Office

# Webinar:

## Unclaimed money, lost member and inactive low-balance account reporting obligations

An information session for Superannuation Funds Trustees and Administrators

# What we will be covering

- Overview of USM
- Types of unclaimed money
- Reporting and payment
- Current reporting and lodgment issues
- Outcomes of incorrect reporting and lodgment
- Questions and answers

# Overview of USM

Unclaimed superannuation money (USM) is money accrued in a member's super account that meets certain criteria set out in the *Superannuation (Unclaimed Money and Lost Members) Act 1999* (SUMMLMA).

Legislation specifies the obligations in relation to USM.

# Obligations under the *Superannuation (Unclaimed Money and Lost Members) Act 1999* (SUMMLMA)

- **Unclaimed super money**
  - › members aged 65 years or older
  - › non-member spouses
  - › deceased members
- **Unclaimed superannuation monies of former temporary residents**
- **Lost member accounts**
  - › small lost member accounts
  - › insoluble lost member accounts
- **Inactive low-balance accounts**

# Examples: Unclaimed superannuation money

# Member aged over 65 years

A member has been with a provider for over 20 years and turns 65 years of age:

- contributions ceased over three years ago
- the member is no longer employed
- despite making reasonable efforts, the super provider has not had contact with the member in the last five years

**The member's super benefit should be paid to the ATO**

# Splittable payment

A member commences a market-linked super income stream:

- the non-member spouse has lost touch with the provider
- no new contact details have been found despite extensive efforts to trace them

**The non- member's super benefit should be paid to the ATO**

# Deceased member

A super provider receives confirmation that a member has died:

- there have been no amounts received for over two years
- It has been determined that there are three beneficiaries entitled to claim a death benefit, but can only locate one of them. Beneficiary A is paid their entitlement, but Beneficiaries B and C cannot be located.

**The super benefits payable to beneficiaries B and C should be paid to the ATO**



# Unclaimed superannuation of former temporary residents

# Unclaimed superannuation of former temporary residents

The super benefit of a former temporary resident is considered to be unclaimed.

On receipt of the S20C Notice, you are obliged to respond either with a USM message and payment, or a S20C error message :

- SUPER.GEN.GEN.21 - Member not found with supplied information or
- SUPER.GEN.GEN.22 - No longer a member of Superannuation entity or
- SUPER.GEN.RLVR.7 - Rollover could not be processed due to a pending claim

Response due by the USM legislative dates of 30 April or 31 October.

# Examples: Lost member accounts

# Lost member accounts

## Small lost member account

1. Member meets the definition of 'lost member':
  - has an account balance of \$5,999 on the unclaimed money day, 31 December
  - before 30 April, the superannuation account is credited with interest of \$3.50
  - the account must still be reported and paid to the ATO.
  
2. A super provider identifies that a member that meets the definition of 'lost':
  - account balance of \$6,010 on the unclaimed money day, 31 December
  - before 30 April, the account is debited with charges of \$13.50
  - the account does not meet the definition of a small lost member account
  - the account is not required to be reported or paid.

# Lost member accounts

## Insoluble lost member account

1. An account was opened with the super provider for John Smith in June 2015
  - no further information was provided
  - contributions ceased in July 2017
  - no records exist to specify who made the contributions
  - unsuccessful attempts to locate the member
  - the account is an insoluble lost member account.
2. Katy is a lost member:
  - has a super account with a balance of \$8,500
  - no contributions or rollovers have been received
  - Katy's super fund does not have any member details
  - the account is an insoluble lost member account.

# Examples: Inactive low-balance accounts

# Inactive low-balance accounts

Paul has an account with Acme Super

- balance of \$5,985 at the unclaimed money day
- meets inactive low-balance account criteria
- no insurance is being provided on the account
- no further activity up to the scheduled statement date 31 October.

**The member's super benefit should be paid to the ATO.**

# Inactive low-balance accounts

Chantelle has an account with Ace Super:

- balance of \$5,985 at the unclaimed money day
- meets inactive low-balance account criteria
- 15 July adjustments to the account result in an increase to account balance \$6,021
- no further activity up to the scheduled statement date 31 October

Chantelle's account is no longer an inactive low-balance account and Ace Super is not required to pay the account balance to the ATO.



# Reporting and payment

# Acts and Regulations

- *Superannuation (Unclaimed Money and Lost Members) Act 1999* (SUMMLMA) and the accompanying regulations
- *Superannuation Industry (Supervision) Act 1993* (SISA) and the accompanying regulations
- *Retirement Savings Accounts Act 1997* (RSA) and the accompanying regulations.

<b>Unclaimed Money Day</b>	<b>Scheduled Statement Day</b>
Date used to determine a member's status	When USM is due and payable
30 June	31 October of the same year
31 December	30 April of the following year

# USM reason codes

All USM should be reported with one of the following USM reason codes:

- **A** Member reached eligibility age
- **D** Deceased member
- **N** Non-member spouse
- **P** Insoluble lost member accounts (insoluble and lost)
- **P** Inactive low-balance accounts (until a new code is available)
- **Q** Small lost member accounts (less than threshold and lost)
- **R** Temporary Resident (received s20C Notice)

# Interim Reporting Solution for inactive low-balance accounts

Inactive low-balance accounts are required to be reported and paid to the ATO by 31 October 2019 for the first time.

SuperStream Rollover MIG V2.0 does not include a separate USM reason code for inactive low-balance accounts. An interim reporting solution has been developed until a new USM reason code is introduced.

The interim reporting solution is as follows:

- report and pay both 'insoluble lost member accounts' and 'inactive low-balance accounts' to the ATO using USM reason code P
- in order for the ATO to identify the insoluble lost member accounts the members have to be reported as lost prior to the accounts being paid to the ATO as USM.
- where a member has been paid to the ATO as insoluble lost without ever being reported as lost via MAAS, please use the 'ILB Interim Reporting – Lost Members not reported in MAAS template' via the DTF to provide this information to the ATO.

# Tips to ensure a successful lodgement

# Please check

- The mandatory field Unclaimed Superannuation Money Date is correct
- Pay all entitlements to the ATO at the same time as the USM Statement is lodged
- The number of members and their status are correct
- Members are only reported once
- The payment amount matches what is reported
- If there is no unclaimed money to report, advise us by lodging a non-lodgement advice through the business portal

# Ensuring a successful lodgement

- If a technical receipt is not received: the message has not been received by the ATO and needs to be resent.
- Whether a data message is successful or unsuccessful, an Unclaimed Superannuation Money Outcome Response (USMOR) message is sent within 3 working days. If not received then the data message has not processed and the ATO should be advised.
- Reconciliation of data and payment messages needs to occur in a timely manner as the ATO purges messages after 90 day.
- If a data message errors, re-send it with the same PRN provided on the matching payment message to ensure synchronisation occurs.



# Ensuring a successful lodgement

- Matching PRN in data message and payment message – PRNs are case and space sensitive and must be unique 18 Digits and alphanumeric.
- Underpayment – if the amount paid is less than the amount reported in the data message, a ‘top-up’ payment is required utilising the same PRN as the original data message.
- Overpayment – lodge an adjustment and send a new data and payment message with the correct USM entitlement.

\*Where a payment is received by the ATO but the matching data message is rejected or not received, the ATO will not return the payment. Only overpayment amounts can be refunded by request.

# Adjustments

## Adjust an entitlement:

- To increase an entitlement – send a new USM message and payment, include only the additional amount.
- To decrease, transfer or cancel an entitlement
  - › use the USM adjustment template
  - › send a new USM lodgement to report the correct entitlement
  - › lodge the completed USM adjustment template through the Business Portal.

# Lodging your USM statement



# For more information

- [SuperStream legislation, standards and schedules](#)
- [Business Portal](#)
- [Business Portal – 'How to' videos](#)
- [Payment method for SuperStream](#)
- [Rollover User Guide](#)
- [www.ato.gov.au/USM](http://www.ato.gov.au/USM)
- [www.ato.gov.au/APRAWebinars](http://www.ato.gov.au/APRAWebinars)
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