



Do you have to accept an employee's Choice of Superannuation fund?

All eligible employees must be given the option to choose their own superannuation fund. And in most circumstances, you will need to make superannuation contributions to the fund nominated by the employee.

The ATO indicates that you may be able to reject an employee's choice in the following circumstances:

1. **Insufficient Information**

If an employee's written notice does not contain all the required information, you don't have to accept it.

2. **Employee has made a choice within the last 12 months**

You do not have to accept an employee's request to choose a new fund if you have accepted such a request from the employee within the past 12 months.

3. **The Employee's chosen fund doesn't comply**

The fund nominated must be an eligible choice fund at the time choice is made. To be eligible, the fund must be a complying fund or scheme or an RSA. From 1 July 2006, it must also be governed by a Trustee with a RSE licence.

4. **You are unable to make contributions to that fund**

Some superannuation funds require the employer to become a 'participating employer' before the employer can pay contributions to them. Being a 'participating employer' may involve paying contributions more regularly (such as monthly instead of quarterly).

The employee can then choose this fund if you agree to become a 'participating employer' of that particular superannuation fund. However, you do not have to agree.

What happens if you reject an employee's choice?

If you reject an employee's chosen fund because the fund requires you to become a 'participating employer' or you are unable to make contributions to the fund for another reason, you need to advise your employee. You need to continue making contributions by the quarterly cut-off date to the superannuation fund nominated in Part A of the existing [Standard choice form](#).

For further information, please visit www.ato.gov.au/super and www.superchoice.gov.au/employers

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