



Australia: Your Future, Your Super bill enacted

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The Treasury Laws Amendment (Your Future, Your Super) Bill 2021 (YFYS bill), which received Royal Assent on 22 Jun 2021, will impose major changes on Australia's superannuation industry. Measures include a new default super fund system and an annual investment performance test that could require failing products to close to new members.

Highlights

Amendments introduced during the parliamentary phase include:

- The start date is delayed to 1 Nov 2021 for "stapling" measures aimed at eliminating duplicate super accounts. The default super fund system will change for most new employees starting a job on or after 1 Nov 2021. Employers will have to contribute to a new employee's existing stapled fund, if one exists, as advised by the Australian Taxation Office (ATO), unless the employee has chosen another fund to receive the contributions. The employer's default fund will apply if the employee has no stapled fund (for example, because of a first job) and has not chose a fund.
- Measures allowing the government to prohibit certain super fund payments or investments have been removed.

Other measures took effect on 1 Jul 2021, such as:

- The first performance test (subject to publication of final YFYS regulations that will provide further details)
- The ATO YourSuper online fund comparison tool to help members compare super products and choose a fund
- Transparency and accountability measures, including a requirement for trustees to act in members' best financial interest

Related resources

Non-Mercer resource

- [Treasury Laws Amendment \(Your Future, Your Super\) Bill 2021](#) (Parliament of Australia, 22 Jun 2021)

Mercer Law & Policy resource

- [Australia: Pension reform regulations proposed](#) (1 Jun 2021)

Other Mercer resource

- [Your future, your super — are you ready?](#)

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