

Factsheet

March 2010

Important changes to employer superannuation obligations

On 1 January 2010, the *Legal Services Award* (the *Award*) came into force under the Australian Government's *Fair Work Act 2009*. The *Award* specifies the minimum employment conditions to be provided by legal employers to employees throughout Australia.

A clause within the *Award* covers the superannuation obligations of employers.

This fact sheet outlines these superannuation obligations for employers.

What is the Legal Services Award?

The Australian Industrial Relations Commission has consolidated 1,500 awards into 122 new industry and occupational awards, including the *Legal Services Award*.

The *Award* specifies minimum employment conditions such as hours of work, annual leave, and minimum wages. It supplements the National Employment Standards operating under the *Fair Work Act 2009*.

The *Award* applies to employees within the legal services industry, including:

- clerical and administrative staff
- on-hire employees, and
- law graduates.

The legal services industry means employers engaged in the business of providing legal and legal support services. It includes barristers and

solicitors, licensed conveyancers, and others who provide services or staff in support of legal services.

The *Award* applies unless a superior statutory instrument, like a collective enterprise agreement, is operating.

What are the employers' superannuation obligations under the Award?

Clause 23 of the *Award* covers the payment of superannuation. Unless an employee has chosen another fund under Choice of Fund rules, the employer must make superannuation contributions to one of the following funds:

- legalsuper
- AustralianSuper
- Tasplan
- CareSuper
- Statewide Superannuation Trust
- Asset Super, or
- any other super fund to which the employer was making contributions before 12 September 2008.

For more information

Please contact Bob Lees on 9926 0108 or by email at blees@legalsuper.com.au

This information of a general nature and does not take into account your specific needs. You should consider your own financial position, objectives and requirements before making any financial decisions. You should also obtain and read the legalsuper Product Disclosure Statement (PDS) before making your investment decision. Past performance is not a reliable indicator of future performance.

Frequently asked questions

Q. We are a new law firm. Who can we nominate as our default super fund?

A. Assuming that your firm was established on or after 12 September 2008, you can only choose a default super fund from the list of six funds shown at left.

Q. We are about to review our default super fund. What fund(s) can we select?

A. Any one of the six funds shown at left OR any fund that you were paying contributions into prior to 12 September 2008, provided that it is an eligible choice fund.

Q. We have 'incorporated'. Do we need to change our super arrangements?

A. Possibly. Through the process of incorporating, you are essentially now a new firm and there will be new employment relationships created with staff (even though prior service is recognised). If this has happened since 12 September 2008, you can only select a default super fund from the six shown at left. If your current fund is not one of these, you will need to change.

Q. We have recently merged. Do we need to change our default super fund?

A. Possibly. If your firm has merged since 12 September 2008 and your staff are now employed by a new entity that did not exist prior to the merger, then you will have to nominate a default super fund from the six shown at left. If your current fund is not one of these, you will need to change.