



Australian Government
Medicare Australia

small business
superannuation
clearing house



Small Business Superannuation Clearing House

Contribution rejection procedure—version 2.0

Table of contents

1. Introduction	1
1.1 Purpose of document	1
1.2 Context	1
1.3 Glossary	2
2. Rejection process overview	3
3. Rejection payment	4
4. Rejection advice	5
4.1 Rejection advice email	5
4.2 Rejection advice file	5
4.2.1 Rejected contribution record definition	6
4.2.2 Reject reasons	7
5. Matching failures	8
5.1 Cannot match rejection payment and rejection advice	8
5.2 Cannot match rejected contribution with source contribution	8
6. Example rejection advice file	9

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1. Introduction

1.1 Purpose of document

The purpose of this document is to provide superannuation fund administrators, trustees and providers (for the purpose of this document, all are referred to as the 'administrator') with the correct procedures to enable them to return contributions that cannot be allocated back to the Small Business Superannuation Clearing House (the Clearing House).

1.2 Context

To allocate payments received from the Clearing House, the administrator downloads contribution reports from the Clearing House website and uses the data in those reports.

If the administrator is unable to allocate the received payments, then they must return the money to the Clearing House, together with information that:

- identifies unambiguously which contribution/s the returned payment includes
- identifies the reason why each contribution could not be allocated.

The payment is referred to in this document as the rejection payment and the information is referred to as the rejection advice; together the rejection payment and rejection advice constitute the rejection.

This document describes:

- how the rejection payment (returning the unallocated contributions) is to be made
- how the rejection advice (describing what the payment is for) is to be supplied to the Clearing House.

Following the guidelines defined in this document will enable the Clearing House to handle rejections in a timely and efficient manner, to the benefit of employers, employees and administrators alike.

When a contribution is rejected, the Clearing House will either refund the money to the employer, or re-issue the contribution to a superannuation fund, depending on the causes of the rejection and the wishes of the employer. If the contribution is re-issued, it will be sent to the superannuation fund (which could be the same fund that rejected the original contribution or a different one) as if it were a 'new' contribution.

Note that the rejection mechanism is for refunding contribution amounts, along with the information necessary to process those payments—it is not a mechanism for advising the Clearing House or employers of data errors where the allocation was successfully executed.

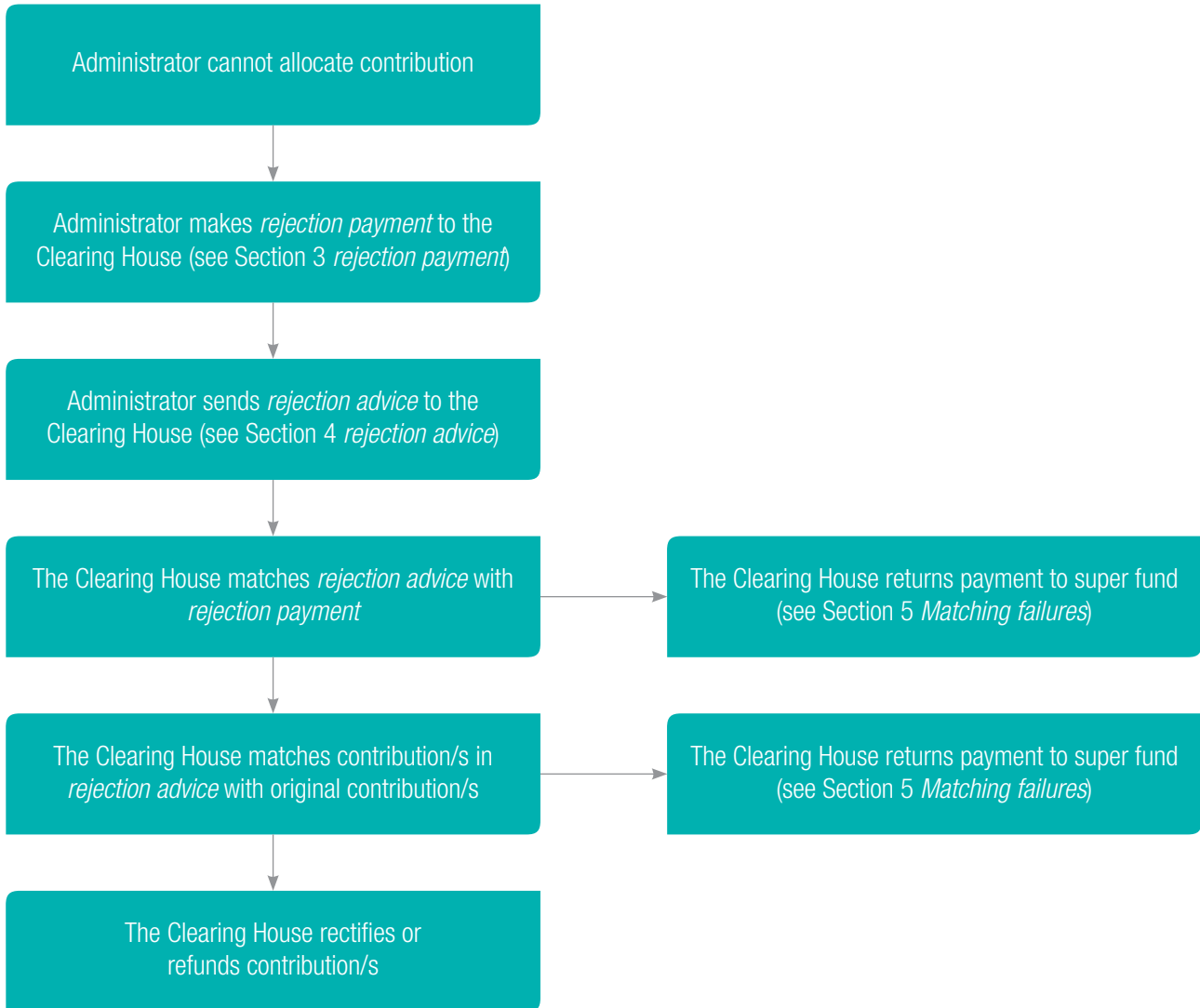
1.3 Glossary

In this document the following terms are used.

Term	Description
Contribution report	The report downloaded by the administrator from the Clearing House that described the original contribution.
Rejection	The return to the Clearing House of unallocated money, comprising <i>rejection payment</i> and the <i>rejection advice</i> .
Rejection advice	The information, accompanying (linked to) a <i>rejection payment</i> , defining what the money is for and why it could not be allocated.
Rejection payment	The transfer of money from an administrator to the Clearing House, corresponding to one or more unallocated contributions.
Rejected contribution	A contribution for a member that cannot be allocated. It includes all of the various amounts of different types (SG, employer other, and employee) that made up that contribution.

2. Rejection process overview

The rejection process is described below.



3. *Rejection payment*

The *rejection payment* is made using direct credit, to the bank account specified by the Clearing House.

- The payment must cover the rejection of all contributions for a given member. For example, an employer makes a \$100 SG contribution plus an additional \$50 on behalf of the employee (after-tax). The administrator rejects both the \$100 and the \$50, even if one of them can be accepted.

The Clearing House recommends using one of the following for the lodgement (payment) reference number when making the payment:

- if the *rejection payment* covers multiple contributions then use the administrator's Clearing House user id, or
- if the *rejection payment* covers a single contribution, then use the contribution reference that was supplied for the rejected contribution in the contribution report.

While the Clearing House can accept either of these for the lodgement reference number, it is essential that whatever reference is used is included accurately in the *rejection advice*, so that the Clearing House can reliably match the *rejection payment* with the *rejection advice*. If the *rejection payment* cannot be reliably matched with an advice, the payment will be returned to the superannuation fund's bank account.

4. Rejection advice

The *rejection advice* takes the form of a file, in a provided format, which is emailed to the Clearing House.

4.1 Rejection advice email

The rules governing the email to which the file is attached are as follows:

- the email address to send to is **SBSCHexceptions@humanservices.gov.au**.
- the subject line is 'contribution rejection advice'.
- the sender's email address is ideally readily identifiable as being associated with that administrator, trustee or fund.

4.2 Rejection advice file

The rules governing the *rejection advice* file are as follows:

- a file corresponds to a single fund payment (i.e. as per the contribution payment report). If there are multiple contributions corresponding to different payment reports, there should be multiple files, one for each fund payment
- the file name ideally reflects the name of administrator, trustee or fund, abbreviated if necessary.
- the file contains a number of records (rows), each of which contains a series of data items (see section 4.2.1 and 4.2.2)
- the file consists of one or more *rejected contribution* records. Although all of the *rejected contribution* records follow the same format, which includes payment information, only the first *rejected contribution* record includes payment data. Thus the file consists of:
 - row 1: a row containing a set of field descriptions. This row is ignored by the Clearing House but allows a simple 'template' (supplied by the Clearing House) to be used when manually populating the rejected contribution rows
 - row 2: the first *rejected contribution* record, containing the payment information (i.e payment reference number) plus details of the first rejected contribution
 - row 3 onwards: an arbitrary number of rejected contribution records, each of which contains no payment information, but does contain the details of a rejected contribution. Any payment details in the second and subsequent *rejected contribution* records are ignored by the Clearing House.

The Example file in Section 6 illustrates these rules.

Security considerations mean that the data included in the *rejection advice* is limited to dollar amounts, dates, rejection reasons and reference numbers that allow the rejected amounts to be linked with the original contributions.

4.2.1 Rejected contribution record definition

The data element definitions below use the following abbreviations to describe the format of a data item.

Abbreviation	Description
A	Alpha—the field can contain only values a-z or A-Z.
N	Numeric—the field can contain only values 0-9 and a decimal point (“.”).
AN	Alphanumeric—the field can contain any printable character.
Date	Date—(DD/MM/YYYY).

The data element definitions below use the following abbreviations to describe whether a field will be populated in the report.

Abbreviation	Description
M	Mandatory—there will always be a value.
OP	Optional—there may be a value.
C	Conditional—whether the field has a value or not depends on the context. The rules are described in the ‘remarks’ column.

Element	CSV Pos.	Format	Rules	Remarks
SubmittedDate	1	Date	C	The date the administrator submitted the rejection payment. Mandatory for the first rejected contribution record (row 2) and ignored for subsequent rejected contribution records.
SenderID	2	10 N	C	The user ID that the fund uses to logon to the Clearing House and retrieve Contribution Reports. Mandatory for the first rejected contribution record (row 2) and ignored for subsequent rejected contribution records.
PaymentReference	3	12 AN	C	The payment reference number supplied in the Contribution Report that the funds download from the Clearing House. Mandatory for the first rejected contribution record (row 2) and ignored for subsequent rejected contribution records.
PaymentAmount	4	15,2 N	C	The amount of the payment. Mandatory for the first rejected contribution record (row 2) and ignored for subsequent rejected contribution records.
ContactNumber	5	15 AN	OP	A contact number for the super fund administrator. Medicare Australia will use this number to contact the super fund administrator in case of any issue with the rejection.
ContributionReference	6	10 N	M	The contribution reference that is assigned to each member contribution payment. This number appears in the Contribution Report that the funds download from the Clearing House.

Element	CSV Pos.	Format	Rules	Remarks
SGAmount	7	15, 2 N	M	<p>The amount of the rejected SG contribution. This will be the same value as the SG Amount in the original contribution. If there is no SG Amount component leave blank or enter 0.</p> <p>At least one of SGAmount, EmployerOtherAmount or EmployeeAmount must have a non-zero value.</p>
EmployerOtherAmount	8	15, 2 N	M	<p>The amount of the rejected 'Employer other' contribution. This will be the same value as the EmployerOtherAmount in the original contribution. If there is no EmployerOtherAmount component leave blank or enter 0.</p> <p>At least one of SGAmount, EmployerOtherAmount or EmployeeAmount must have a non-zero value.</p>
EmployeeAmount	9	15, 2 N	M	<p>The amount of the rejected Employee Amount contribution. This will be the same value as the EmployeeAmount in the original contribution. If there is no Employee Amount component, then leave blank or enter 0.</p> <p>At least one of SGAmount, EmployerOtherAmount or EmployeeAmount must have a non-zero value.</p>
RejectReason	10	2 N	M	<p>A code representing the reason for rejection. The code must be one of the values in 4.2.2 (<i>Reject Reasons</i>) below.</p>

4.2.2 Reject reasons

Code	Reason
00	Contribution cannot be accepted from this employer
01	Contribution type cannot be accepted by fund
02	Member not found or invalid
03	Member has left fund
04	Member TFN required for this contribution
05	Member contributions have been paid or transferred out
06	Fund is closed
07	Fund not recognised

5. Matching failures

If the Clearing House is either:

- unable to match the rejection payment with a rejection advice, or
- unable to match any of the constituent rejected contributions with an original source contribution

then the unmatched amount, together with an explanation, is returned to the administrator as follows.

5.1 Cannot match rejection payment and rejection advice

A *rejection payment* is deemed to be “not matching a *rejection advice*” if:

- a *rejection advice* containing a matching Payment Reference is not received within seven working days of the payment receipt
- the *Payment Amount* in the *rejection advice* is not the same as the amount of the *rejection payment*
- the *Payment Amount* in the *rejection advice* does not equal the sum of the rejected contribution amounts, or
- the *rejection advice* file is badly-formed or incomplete.

The Clearing House will return the total payment amount to the administrator via EFTPOS, using a lodgement (payment) reference of “MCA MATCH FAILED”. The account to which the money will be repaid will be the account from which the *rejection payment* was made or, failing that, determined in consultation with the administrator.

The Clearing House will also send an email to the administrator stating the total amount repaid, the date of the payment, the reason for the matching failure, and with the *rejection advice* file (if there is one) attached. The email will be sent to the address of the administrator as registered with the Clearing House.

5.2 Cannot match rejected contribution with source contribution

A *rejected contribution* is deemed to be “not matching a source contribution” if:

- the *ContributionReference* supplied in the rejected contribution record does not match a Clearing House contribution to a fund that is managed by the administrator who executed the rejection
- the *SGAmount*, *EmployerOtherAmount* or *EmployeeAmount* supplied in the *rejected contribution* record does not match the corresponding contribution amount in the Clearing House contribution, or
- the *SGAmount*, *EmployerOtherAmount* or *EmployeeAmount* supplied in the *rejected contribution* are all zero.

In this case, an amount corresponding to the total of those unmatched *rejected contribution* amounts is paid back to the administrator. This amount may be part or all of the *rejection payment* received from the administrator, depending on whether some, or all, of the included contributions cannot be matched. The payment is made and a corresponding email sent according to the rules defined in Section 5.1 above.

