

## End of the superannuation clearing house for SMEs? InPayTech advocates 'Member Direct' model as next disruptive force - driving greater efficiency and higher superannuation returns for SME owners and employees

**Sydney, 10 April 2017:** Australian superannuation funds and SME employers must move to embrace a digital, member direct model of contributions payment technology that is gathering pace alongside the 2017 introduction of the Reserve Bank of Australia's New Payments Platform (NPP).

"Clearing houses have traditionally played a significant role in the processing of superannuation contributions for Australia's small-to-medium enterprises," said InPayTech chief executive Robin Beauchamp.

"But the introduction of the NPP later this year heralds a change in the ground rules for payment processing, and provides a mechanism for same-day settlement of superannuation payments.

"This is a step change in not only the time and cost efficiencies for superannuation transactions, but will heighten consumer expectations of the way *their* money leaves the employer, moves through the electronic banking system, to *their* super account," he said.

Mr Beauchamp said the introduction of SuperStream's administrative 'plumbing' has positively impacted processing times and streamlined the transmission of superannuation contributions data and payments.

"However, the current Direct Debit payment rules means the traditional Clearing Houses must hold the contribution money in their trust account for an average of 4.2 days. New technology, available to SME's, securely bypasses this and reduces payments time to the *same day*," he said.

Mr Beauchamp warned funds and employers to remain vigilant to the reluctance by Clearing Houses and those organisations that direct their employee super through them to enable new technology.

"These firms are reluctant to embrace any model that reduces their income - particularly one that removes the capacity to earn income for abiding by the Direct Debit rules," he said.

InPayTech's PayVu technology is expected to transform the traditional approach to Superannuation contributions. The new payment model is called **Employer Direct**. Simply, this model emulates the NPP and replaces the average 4.2-day delay with same-day settlement.

PayVu is the first technology offer to provide **Employer Direct** - placing control back in the hands of the employer, along with the interest earned from the contributions money.

The benefit does not stop with the contribution transaction. It extends also to reconciling misplaced or mistaken allocations.

"For example, if the superannuation fund is unable to allocate a contribution, Member Direct enables the secure return/refund of the money directly back to the employer, removing the Clearing House from the transaction flow and allowing the employee contributions to be quickly re-allocated to the correct fund," he said.

PayVu and the Employer Direct model provide an ideal opportunity for SME users of Clearing Houses to adopt an approach that delivers significant personal benefits to the SME owners and their staff. This latest technology approach is a clear disrupter and looks set to trigger the end of the traditional Clearing House solution for SME's.

PayVu will be released on Monday, April 24, 2017.