



The future of super:

Payday super and the benefits of payroll integration

March 2024





The challenges and opportunities presented by payday super.

In the 2023-24 federal Budget, the government announced that employers will be required to make super contributions at the same time they pay salary and wages.

The move to payday super follows government research that more frequent contributions to member accounts can lead to an increased balance of 1.5% at retirement.¹

Why Beam is invested in the future of super

Beam is here to deliver a super payment experience in a new light, by proving that paying super doesn't need to be time consuming and complicated for employers or software providers. As the only supertech built by industry experts, we help Australian businesses stay ahead of changes to the super industry, including legislation.

That's why we're raising awareness about the proposed changes to how often employers need to pay super, known as payday super. We want to help employers and software providers understand the challenges and opportunities presented by this change, and what they can do now to prepare. We're also shedding light on the role software providers can play in helping employers simplify their super obligations by integrating super payment technology into their payroll solutions.

Beam is a complete supertech solution. We provide super payment (clearing house) and Single Touch Payroll (STP) reporting solutions to workplaces all over Australia by integrating seamlessly into software platforms. At Beam, we're focused on finding new opportunities and innovations to stay ahead of what's next, so we can continually deliver a brilliant super payment experience. Beam is part of the Australian Retirement Trust (ART) Group. Together, both Beam and ART serves around 1 in 7 employers in Australia.



A message from our founder

Payday super is a good thing for the superannuation industry.

“Over the last year Beam has gone through a consultative period with the government and other stakeholders. We believe the industry is united – that payday super is a positive step.

“Beam is part of the Australian Retirement Trust Group. So, not only are we committed to bringing people closer to their super, we’re also working hard to help more Australians retire well with confidence. **Our position has been constant through more than three decades of evolution within super.**

“The legislation on payday super ultimately puts super front of mind for the average Australian.

“At the same time, the impact on the average Australian business is going to be significant.

“A lot of employers still rely on manual and inefficient payroll processes. That will need to change. Employers simply won’t have time to bounce between different solutions.

“They’ll need to get comfortable using technology solutions to manage super. From onboarding new staff, paying super contributions to STP reporting for each pay run, these responsibilities can all be managed with better technology.

“To pay super at the same time as wages, payroll details and super information needs to be connected and integrated as much as possible.

“Technology is moving from being an enabler for super to now being essential.

“Payroll software-led technology, when implemented correctly, can be at the forefront in helping employers adapt – now and in the future.”



**Mathew Gilroy, Founder at Beam and Head of Employer,
Platforms and Partnerships at Australian Retirement Trust (ART)**

The upcoming legislation is part of a wider move to tackle concerning low engagement levels with super in Australia.

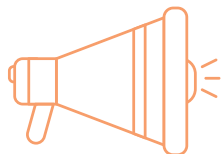
Research from ART shows 71% of Australians don’t know the current super guarantee (SG) rate is 11%.²

Payday super: In brief

2 May
2023

Second half
of 2023

1 July
2026



The Australian Government announces that employers will be required to pay their employees' super at the same time as their salary and wages.



The Treasury and the ATO consulted with the super industry and stakeholders, including Beam and ART, on these changes.



The date the new rules are proposed to come into effect. Businesses that did not previously pay their employees' contributions alongside their pay cycle would need to adjust their processes.

The problems faced by employers

Employers have a number of considerations to weigh up ahead of payday super. The Australian Taxation Office (ATO) estimates \$3.4 billion worth of super went unpaid in 2019–20.³

While payday super may result in better retirement outcomes, the challenges of payday super on employers can't be understated.

Research conducted by ART, has shown that, of contributions from around 180,000 employers within the fund, nearly half (90,000) paid super to their employees on a quarterly basis.

The move to payday super will be especially challenging for small and medium-sized businesses (SMEs) employers with high employee turnover, employers who contract shift-based work, as well as those who pay wages weekly or fortnightly.

"If you ask small business owners about payday super, many may not have heard of it. They're too busy running their business to keep track of every legislative change.

"Even with single-touch payroll, a few months after it was legislated, a lot of SMEs still didn't know what it was.

"A future concern just around the corner for SMEs will be: is my software compliant, and what does it cost to be compliant?"

Alex Alexandrou
General Manager - Operations, Reckon

"This will add pressure to many businesses that are already facing difficulties with cash flow. Less frequent payments give companies struggling to collect payments from clients a little more time to pull together funds."

Melissa Podruzny
Head of Finance, EngineRoom

What we're hearing from our partners

From our partners, we're hearing of the difficulties that employers face when paying super using software platforms that aren't equipped to efficiently manage super payments and reporting.

This highlights that many businesses aren't prepared for the changes that payday super will bring.

Payday super will have a significant impact on the workflow processes of many Australian employers, particularly for those who already struggle to make a super contribution on time.

New legislation is going to heavily increase the volume of admin and increase compliance risks. The need for employers to get things right in a timely manner could be expensive, particularly if it means adding more staff to their own payrolls to manage the extra workload.

The upcoming changes mean a company could potentially need to switch their super payment frequency to 26, or even 52 times, per year.

Not having the time to fix data quality issues is a common worry, as the admin burden of making far more super payments ramps up.

"Employers don't fully understand the complexity of what payday super will mean for them. When paying quarterly, the pain of what's involved in meeting super payments fades into the background due to other business priorities.

"As that frequency picks up, they'll pay more attention. A lot of businesses will have to rethink cash flow management, and how to manage that.

"If problems with payments aren't feeding back almost in real-time, that's going to be the biggest piece we all need to contend with over the next 18 months or so."

Nick Braban
Head of Hospitality & Partnerships, Tanda.

If this all sounds doom and gloom, there is an upside.

The latest software tools can seamlessly integrate all these functions in a complete super payments platform, engineered for growth.

Software providers have an important role in helping employers move towards a future of integration. It's a future that will deliver greater efficiencies for employers and, most importantly, better retirement outcomes for all.

Are you a software provider looking for a trusted partner backed by super experts?

Discover how Beam can save your customers' time by lightening their super payment workload.

[Learn more](#)

The evolution of super in Australia

Payday super is the latest evolution in a long line of changes for the industry. Super has been through significant modernisation since its launch in 1992.

Yet 15 years ago, the system was still heavily based on cheque and paper processes. These would be physically posted from payroll offices to super funds.

A decade ago, consumer demand and regulation shifted much of this to digital services such as super fund portals and websites.

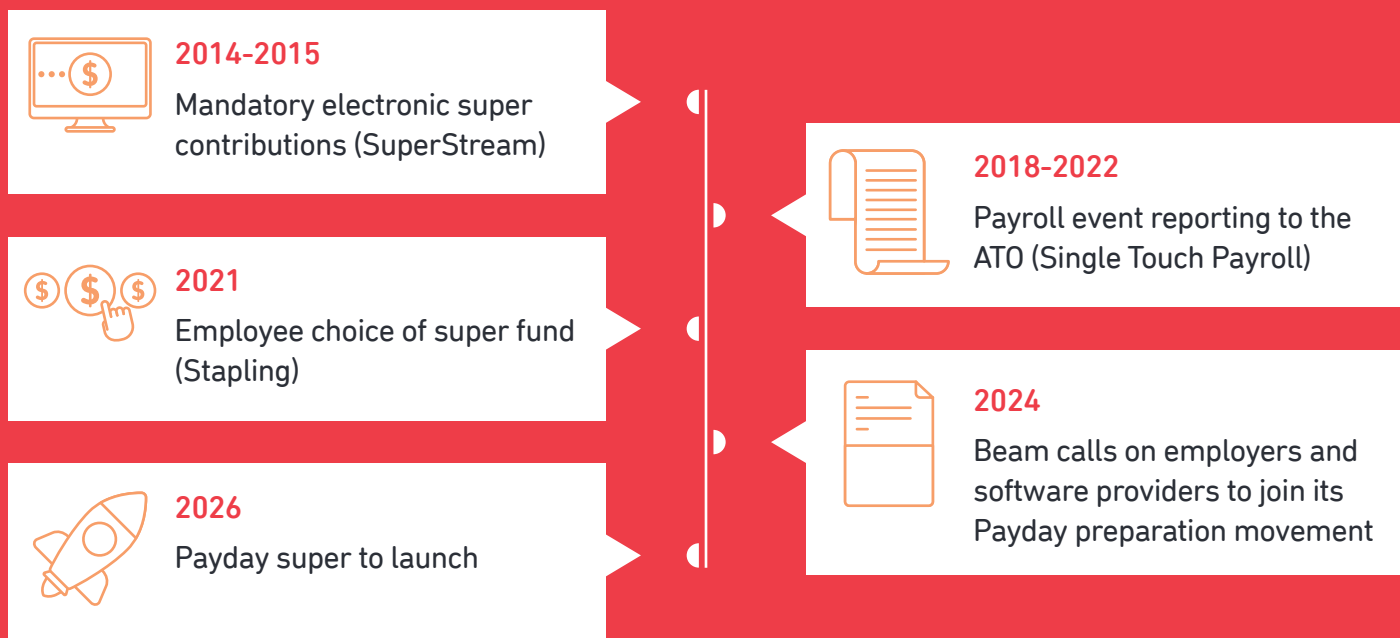
In the past three years, there has been a marked shift toward integration.

Super has become an increasingly embedded and native component of payroll, and in solutions where employers and employees need super information and services.

Doing super the manual way is labour-intensive and inefficient

- Step 1** Employers extract a file from payroll and load information into a super fund portal.
- Step 2** Super is paid quarterly or monthly.
- Step 3** New staff often choose a super fund via a paper standard choice of fund form, entered into payroll manually.
- Step 4** Single Touch Payroll (STP) reporting is completed after these manual steps.

Mapping more than a decade of super changes for Australian businesses



How super has shifted from manual to digital

2015

2015-2022

2022-2026

Manual



- Super cheque
- Paper quarterly contributions
- Paper join forms
- Default super
- No ATO reporting
- 10-20-day processing for super

Digital



- Electronic contributions
- Paper join forms
- Default super within increasing choice
- Single Touch Payroll versions 1 and 2
- Monthly and quarterly contributions
- 3-5-day processing for super
- Stapling of super fund to employee

Integrated



- Payroll integrated software
- Super in employee onboarding software
- Stapling legislation increased the need for a streamlined employee onboarding process due to the additional admin burden
- Single Touch Payroll version 2 evolves
- Payday super = weekly and fortnightly contributions
- 1-3-day processing for super

Integrated payroll systems: 4 benefits for employers

An integrated payroll system is one that uses software solutions to merge payroll activities all in one place. The benefits include:

- 1 Time is saved with simpler, more efficient admin with less duplication.
- 2 Greater employee satisfaction, for new hires and payroll staff.
- 3 Better compliance, as there's less room for error.
- 4 Streamlined reporting capabilities.

Why are software providers key to the future of super?

Given the pressures payday super will have on employers, there's a fundamental need for software providers to be on board with the latest solutions in payroll. In turn, they can support their customers by removing the time and overheads in having to move off payroll to complete super obligations.

From a software provider's viewpoint, payday super offers an attractive growth opportunity. There's set to be a significant uptick in demand from businesses that require a seamless and compliant solution to meet the increasing frequency of paying super to employees.

These solutions need to scale across all functions of payroll, with any business – no matter the size.

Evidently, there's a need to embed more efficient payroll processes and partner with companies offering robust information security management systems.

The opportunity for software providers: In summary

Partnering with Beam comes with multiple benefits for software providers.

1



A supercharged super payment offering

A provider's product roadmap will only look more attractive with an integrated super payment technology that's held within an existing software platform. An out-of-the-box solution such as Beam benefits software providers with lower ongoing costs compared with a custom-built solution to paying super.

2



Future growth opportunities

New business opportunities (both retention and acquisition) will increase as the added demands from businesses around paying super more frequently start to take effect. Having a simple, easy and compliant solution to the new challenges can create a competitive advantage to attract and retain customers for any software provider.

3



Strong network effects

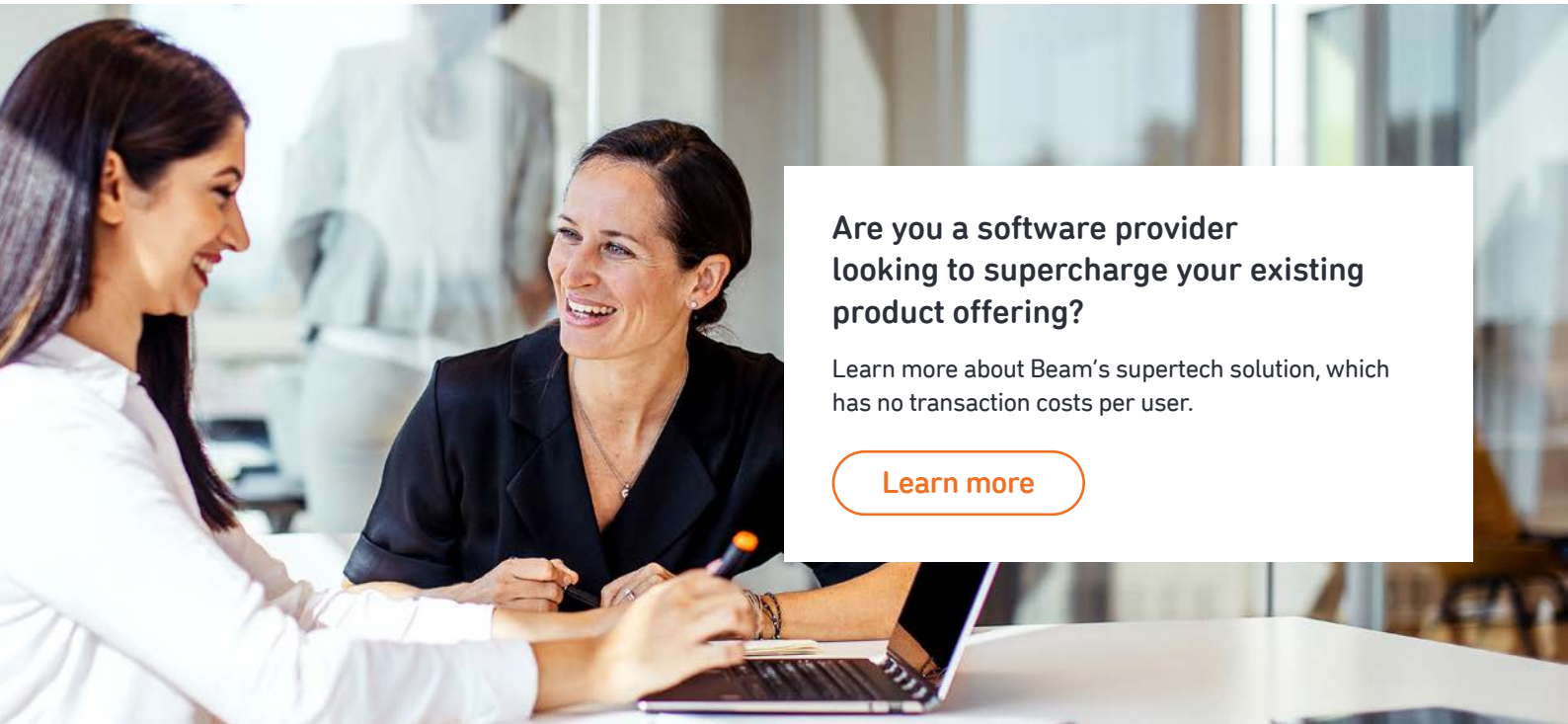
In addition to the opportunity to redefine and augment an existing product offering, with Beam there's the opportunity to join a trusted partner network. This can open up new opportunities, including the chance to bring people closer to their super, by changing the way to do super.

4



More satisfied customers and better customer relationships

Software providers can deliver a better customer experience across super payment functions within payroll, with a seamless and compliant super payment tech solution to pay super to employees.



Are you a software provider looking to supercharge your existing product offering?

Learn more about Beam's supertech solution, which has no transaction costs per user.

[Learn more](#)

A seamless approach to critical super data management

Tanda is a digital Payroll, HR and Workforce Management software company. It's an example of a payroll software company that is well-placed to support workforce planning, wages and super.

Tanda has partnered with Beam to offer an integrated super payment tech to help their customers manage paying super contributions to their employees as part of their payroll process.

"It's valuable to us to have an integrated solution that's very easy to use. To have it front of mind when people are doing the weekly or fortnightly or monthly job of running their pays.

"It's just far more secure if it's done straight out of the payroll system straight into Beam, then you know there's no prospect of data being lost due to human error.

"As payday super starts hitting the road, in terms of becoming a law in Parliament, people will be asking questions and we'll be in a really good position to be able to answer confidently that we can support them."

Nick Braban
Head of Hospitality & Partnerships, Tanda.

What is Beam Super Payments and how does it work?

Beam Super Payments is a time-saving solution that is integrated within a software provider's payroll platform. As a complete super payments technology, it lightens employers' workloads through its integrated reporting and payment processes.

"To pay super at the same time as wages, payroll details and super information need to be fully aligned.

"A payroll-embedded super engine is key to removing the pain points of paying super and to that end, Beam is a very good solution.

"It makes super information a natural payroll accrual and then allows you to check the accuracy of data and pay super contributions, all from payroll.

"The reason Beam is essential is that it removes the overheads an employer faces when they move off payroll to complete super as a separate process. It offers a unique experience by doing super in a single process within payroll.

"Beam gives an employer back so much time and reduces pressure in this space."

Mathew Gilroy

Founder at Beam and Head of Employer, Platforms and Partnerships at ART

Why an integrated super payment solution is the way forward for all businesses

How employers can benefit from a simplified super payment process using Beam

- 1 Super batch payment is created within payroll. No need for data exports and files.
- 2 Upfront payroll validation and accuracy of data is highlighted. This is critical to compliance and uninterrupted super payments.
- 3 Super is paid to the employee's choice of super fund.



The benefits Beam Super Payments offers employers – **8 key points**

Learn more about how partnering with Beam can enhance the offering payroll providers give to employers:



Beam Super Payments offers a cost-effective solution to lightening workloads, with no setup costs and no transaction costs charged per user.



Many employers log into a third-party website to pay their super. But with Beam, paying super can be done within the payroll software.



With Beam, it's an all-in-one experience. All super payments are recorded in one place, allowing employers to keep on top of their obligations as they come up.



Beam's information security management system has been audited by a third-party accredited certification body for ISO27001:2013 compliance, providing independent validation that Beam's security controls are in place and operating effectively.



Super is automatically calculated and tracked when each employee's pay is recorded.



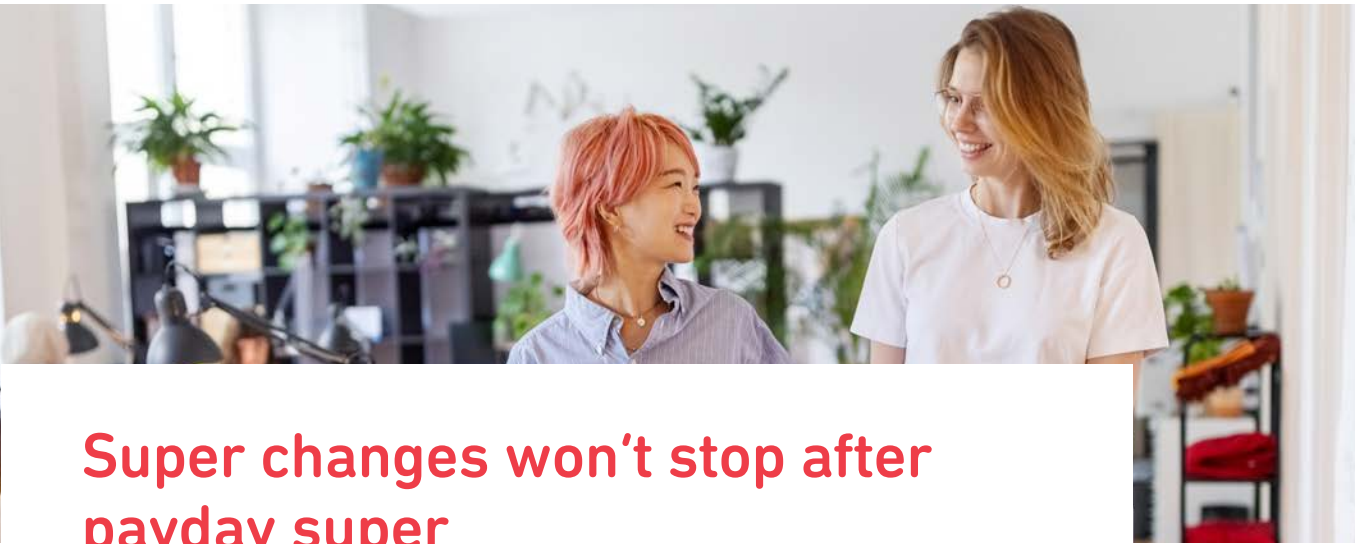
Employers can pay super for a limitless number of employees, across multiple super funds in a single transaction, all within the payroll software.



Beam's 'super in seconds' approach gives employers the time they need to fix any data issue.



Upfront validation. Employers are informed immediately to fix any mistakes in their payment before they submit. Beam improves data quality by making sure once an error is corrected, it's updated in the system so it won't happen again.



Super changes won't stop after payday super

As both super and payroll management continue to evolve, the take up of integrated solutions will be a must-have for employers, creating an opportunity for payroll software providers to provide an efficient solution to increasing super obligations.

By embracing payroll software that seamlessly integrates payroll functions, businesses can save much-needed time and resources, while contributing to a positive workplace culture.

“Undoubtedly, there'll be more obligations after payday super rolls out. It won't be the first or last time the ATO asks a company to report something in a new way.

“Employers can't afford to wait. The future is playing out now. It's unavoidable. The inefficiencies of existing processes can already be seen at a quarterly cadence and they'll only be exacerbated. Employers need to act now to prepare.

“As more obligations come in, the importance of having a single source to solve them grows. Super must become part of the everyday solution.

“We have to get to a future together where all payroll solutions are integrated and connected with supersmart tech.

“Technology, payroll integration and government legislation are all combining to bring super closer to individuals.

“Super will continue to change fast. The changes are multifaceted and don't begin or end with the upcoming move to payday super from 1 July 2026.

“The future is going to be evermore rapid, timely and automated.

“By the sheer push of government legislation alone, employers are going to find themselves under closer scrutiny from the ATO as a result of regulatory changes.

“There are already benefits to having payroll processes all in one place. This new legislation is going to exacerbate that need tenfold. So, action needs to be taken now.”

Mathew Gilroy, Founder at Beam and Head of Employer, Platforms and Partnerships at ART



2026 is just around the corner.

Now is the time to explore the benefits of offering a more integrated super payment solution.

By preparing now, software providers can be ready to support employers with a simple and compliant payroll solution that will remove the administrative and cost burden if payday super comes into effect.

As employers begin to better understand the implications of payday super, software providers quick to evolve their payroll software will be best placed to capture new business and deliver on the increased demand – now and in the future.

Learn more about our supersmart supertech and how it can make the transition to payday super effortless for your customers.



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