

Employer FAQ: payday super

The federal government has introduced one of the biggest changes to the superannuation system in decades - payday super has been legislated. On 1 July 2026, employers will need to pay their employees' super at the same time as their salary and wages.

To help you understand and prepare for the changes coming we have prepared answers to some of our most frequently asked questions.

Q: Why was payday super proposed?

The government proposed the change to help improve retirement outcomes for Australian workers and reduce payroll liabilities for employers.

Government research shows that this change could leave a worker 1.5% better off at retirement.¹

Payday super will also help the Australian Taxation Office (ATO) detect and recover unpaid super. On the most recent financial year data, there was almost \$5.2 billion in unpaid super that should have gone to workers^{2,3}

Q: When will payday super begin?

1 July 2026.

Note that if you currently pay super quarterly, the final quarterly payment for June 2026 will need to be made in July 2026.

Q: How long do employers have to make SG contributions after payday?

Employers must pay SG contributions at the same time as their employees' salary and wages.

Super payments must be successfully received in the super fund bank account no later than 7 business days after payday (QE day). There are limited exceptions, including new starters and small or irregular payments.

Super funds must allocate these funds to the member super account no later than 3 business days after successful receipt of them in the fund account.

If the funds can't be allocated to a member's account, the super fund has 3 business days to return them to the employer. This down from 20 days.

Q: What are qualifying earnings?

Payday super introduces the term 'qualifying earnings' (QE) which are used to calculate how much SG employers should pay.

Qualifying Earnings consists of:

- ordinary time earnings (OTE)
- salary sacrifice superannuation contributions
- other amounts which are currently included in an employee's salary or wages for SG

Q: What are the penalties for employers that fail to pay super contributions on time?

Under payday super rules, the **Super Guarantee Charge (SGC)** is changing. Unlike the current SGC, which includes a flat interest rate and administrative fee, the **new SGC** is made up of:

SG shortfall - remaining SG after considering late contributions

+

Notional earnings - calculated by applying the general interest charge rate to the SG shortfall on a daily compounding basis

+

Employers administrative uplift amount - an additional charge equal to 60% of the sum of the SG shortfall and individual notional earnings components

+

Employer's choice loadings (if any) - additional 25% penalty where the employer has not complied with fund choice obligations (the choice loading limit will be \$1,200 per notice period)

Note: If the SG charge remains unpaid 28 days after a notice to pay is issued, a late payment penalty of 25% (or 50% for repeat non-compliance) applies. Additionally, general interest charge (GIC) accrues on unpaid SG charge until fully paid.

The goal is to make penalties more severe for frequent and deliberate non-payers, ensuring employees receive their full SG benefits.

Tax-Deductible Components

SG shortfall amount: This is the actual unpaid superannuation that should have been contributed. It remains tax-deductible for employers.

Administrative uplift: A new uplift (up to 60% of the SG shortfall) may apply, but this uplift is also tax-deductible if voluntarily disclosed.

Non-Deductible Components

Interest: Any interest accrued after the ATO assesses the SG charge is not tax-deductible.

Penalties: Any penalties imposed by the ATO for late or non-payment of SG contributions are not tax-deductible.

Q: How can employers prepare for payday super?

Here are five ways employers can prepare for payday super.

Data

Check your current data for errors. Removing errors upfront will be vital to meeting payday super timeframes.

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Processes and technology

How will your current processes and software handle more frequent super contributions?

Cash flow

Make sure your cash flow can meet payday super obligations without affecting other expenses.

Governance

Under the new payday super rules, will you need to change how you record and report SG compliance?

Onboarding employees

Update your onboarding processes and documentation to capture super choice early and check employee data is correct.

Q: Can employers start paying super more frequently before payday super starts?

Yes. Employers can start making payments more frequently at any time that suits your business. If you do change your payment frequency, ensure you pay your total SG contribution for the quarter by the due date⁴.

Q: How will payday super affect onboarding new employees?

If you hire a new employee, you'll have **20 business days** (starting from the day after you pay their wages or salary) for their superfund to successfully receive their first super contribution payment.

The extra time to set up correct details for new starters will be a great help for many businesses, particularly those with high employee turnover.

Importantly, the legislation currently before parliament proposes a 'choice loading penalty' when an employer fails to comply with an employee's choice of fund instructions. The penalty amount is 25% of non-compliant contributions, capped at \$1,200 per notice period.

Q: What changes are happening to SuperStream as part of payday super?

SuperStream updates include⁵:

- Super funds must be able to receive fast payments via the New Payments Platform (NPP) by 1 July 2026.
- Implementing the requirements outlined in the new Messaging Implementation Guide so error messaging is timely, clearer, and more meaningful.
- A new SuperStream Member Verification Request (MVR) message for employers to verify whether an employee is a member of the ART fund and that ART can accept their contributions.
- Changes to Fund Validation Services to increase the visibility and traceability of changes

or closures to Unique Super Identifiers (USI).

Q: What is happening to the ATO Small Business Superannuation Clearing House (SBSCH)

From 1 October 2025, the SBSCH will no longer be available to new employers.

From 1 July 2026, the SBSCH will close for all employers.

If you're currently using the SBSCH, now is the time to find a new way to make SG payments. Options include:

- Using a super fund portal
- Using a dedicated superannuation platform that integrates with your payroll system.
- Using a full-service finance/payroll system that has superannuation payment functions

Q: How can you help your colleagues prepare for more frequent super contribution payments?

Start by reviewing your current payroll processes and defining clear roles and responsibilities for processing contributions. Make sure your payroll, finance and HR teams know who does what – particularly if contributions are returned due to data errors.

Update any intranet content that talks about super payment arrangements.

Create an education program for your business teams so they know how payday super affects the business and any risks. The program could cover:

- business risks for non-compliance (remember, SGC liability rests solely with the employer)
- the current state of your super processes and payment cycle
- what needs to change, including potential tech solutions and budget requirement

Also, think about how to raise awareness of payday super within your business. This will help gather support for any changes that you'll need to do.

Q: Is the concessional contribution cap threshold for employees changing?

The legislation currently before parliament hasn't indicated a change to the concessional contribution cap threshold. This cap will continue to be used as part of the calculation to determine the maximum contributions base limits.

Q: How can I get more information on the new payday super legislation?

We'll be keeping up to date on the payday super hub on [our website](#), so check back here anytime.

You can also find information on the [ATO's website](#)

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Important information

- 1 [Introducing payday super | Treasury Ministers](#)
- 2 [Second reading speech, Treasury Laws Amendment \(Payday Superannuation\) Bill 2025 | Treasury Ministers](#)
- 3 <https://www.transparency.gov.au/publications/treasury/australian-taxation-office/australian-taxation-office-annual-report-2023-243>
- 4 www.ato.gov.au/businesses-and-organisations/super-for-employers/paying-super-contributions/super-payment-due-dates
- 5 www.ato.gov.au/tax-and-super-professionals/superannuation-professionals/super-funds-newsroom/ato-corporate-plan-2025-26-key-priorities-for-super-funds

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