Super changes from 1 July 2026

A series of important updates to superannuation started from 1 July 2026. In this factsheet, we've summarised the key reforms so you can understand what's changed.

Payday super

- You must pay Superannuation Guarantee (SG) contributions at the same time as your employees' salary and wages from 1 July 2026, your employees' super funds must successfully receive their contributions **within 7 business days after payday**.
- There are exceptions to the 7-business day timeframe, including for new starters. For new starters, you have 20 business days after their first payday for the super fund to successfully receive their first contribution.
- If a contribution is rejected, you must fix it and resubmit it as soon as possible. The 7-business day timeframe doesn't reset for rejected payments.
- Some enhancements to error messages began from 1 July 2026 to help employers fix errors faster. Other changes, including the introduction of Member Verification Requests (MVR) are expected to be in place by 1 March 2027.
- Shorter payment timelines mean there's less room for error. Employers need to make sure that information they have for their employees is correct and up to date.

Qualifying earnings

- As part of the payday super reforms, Qualifying Earnings (QE) is now the standardised earnings base used to calculate SG contributions.
- For most employers, there is no change to their SG liability. However in some cases, employees may be entitled to more SG under the expanded definition of QE. The ATO explains which payments count as qualifying earnings.
- While QE is closely aligned with the current concept of OTE, it provides a more standardised approach, reducing confusion between the ATO definition of OTE and Fair Work's definition of 'ordinary hours.'

Maximum Contribution Base

The Maximum Contribution Base changed from a quarterly basis to an annual basis. The maximum contribution base is $270,830 for FY27. After an employee's QE reaches this amount – no matter at what stage in the year – you can stop making SG contributions to that employee.

Single Touch Payroll (STP)

From 1 July 2026, employers reporting using Single Touch Payroll need to report amounts for both qualifying earnings and superannuation liability for their employees via STP every payday. The ATO will use STP data to track if super payments are late or missing.

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Super Guarantee Charge (SGC)

- An updated SGC applies to employers who don't pay their super contributions on time and to the right super fund.
- The new tax consists of daily compounded interest on SG contributions not received on time, an administrative uplift of up to 60%, and potentially further additional penalties after assessment.
- If you do miss an SG payment, make the outstanding payment as soon as you can. The sooner you make the full SG contribution owed to an employee, the less the SGC is likely to be.
- Read the ATO's first year compliance approach to payday super.

Supporting choice in super

In March 2026, the federal government passed Treasury Laws Amendment (*Supporting Choice in Superannuation and Other Measures*) Bill 2025.

There are two main reforms in the Bill.

1. From 1 July 2026, there is a general ban on targeted advertising of super products to employees during onboarding. There are exceptions to the rule including for:
    - The employer's default super fund
    - The employee's stapled fund
    - Some MySuper products.
2. Employers can now ask for an employee's stapled super fund information before, at the same time as, or after giving the employee a choice form. Employers still need to provide a standard choice form to new employees, regardless of whether stapled fund details are obtained.

Download the Supporting Choice in Super Reforms factsheet.

Concessional contributions cap

From 1 July 2026, the concessional (before-tax) and non-concessional (after-tax) contributions caps changed:

- Concessional contributions cap is $32,500
- Non-concessional contributions cap is $130,000.

If an individual has a total super balance of more than $2.1 million, their non-concessional contributions cap for the 2026-27 financial year is $0. This also means the bring forward rule does not apply.

Find out more at the ATO website.

Concessional tax rate changes for large total super balances

The 'Better Targeted Superannuation Concessions' (Division 296) took effect on 1 July 2026. It reduces tax concessions for individuals with high total super balances (TSB) by adding two new tax tiers on earnings:

- **Balance above $3 million**:
  Earnings on the portion of their TSB over $3 million are subject to an additional 15% tax, bringing the effective tax rate to 30%.
- **Balance above $10 million**:
  Earnings on the portion of their TSB above $10 million are subject to an extra 10% tax (on top of the additional 15% tax).

While the law commenced on 1 July 2026, the first notices of assessments are expected to be issued in the 2027-28 financial year, based on super balances as at 30 June 2027.

Read more about the Better Targeted Super Concessions law.

Transfer balance cap

The super transfer balance cap is $2.1 million for the 2026-27 financial year. This cap is the maximum amount of super a person can transfer from their accumulation account into retirement account(s).

If the amount a person has transferred into retirement phase exceeds their transfer balance cap, the ATO will ask them to return the excess to their accumulation account and pay the excess transfer balance tax.

An individual can view their personal transfer balance cap via myGov then select ATO.

Super paid on parental leave: payments take effect

Parents with babies born or adopted from 1 July 2025 will be paid 12% super on the government funded parental leave pay, if eligible. The super payment for eligible parents goes into their super accounts automatically from 1 July 2026.

Low-income tax offset (LISTO) remains unchanged

The income threshold for LISTO remains at $37,000 for the 2026-27 financial year.

While there is no change in the coming financial year, the Australian Government will increase the maximum income threshold for LISTO to $45,000, and the maximum payment to $810 from 1 July 2027. The maximum LISTO threshold will be permanently linked to income tax thresholds.

Government super co-contribution

From 1 July 2026, the maximum super co-contribution entitlement from the government for low-income earners remains at $500. The lower income threshold increases to $49,293 and the higher income threshold increases to $64,293.

Small business Capital Gains Tax (CGT) cap contributions

Under the CGT cap, a person can, during their lifetime, exclude non-concessional super contributions from their non-concessional contributions cap up to the CGT cap amount. The lifetime CGT cap contribution increases to $1,935,000 for the 2026-27 financial year.