Super Guarantee Charge

1 July 2026

If you don't pay the correct Super Guarantee (SG) amount for any employee on time, in full and to the right fund, you are liable to pay the Super Guarantee Charge (SGC).

What you should do if you miss a payment

If you do miss a 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.

What happens when you miss a payment

An SGC is assessed by the ATO, so you don't need to lodge an SG statement anymore. The ATO will calculate the SGC using Single Touch Payroll and super fund data, or via an employer's voluntary disclosure.

What makes up the SGC?

The SGC is made up of the following components:

Individual final SG shortfall	Notional earnings	Administrative uplift	Choice loading

Individual final SG shortfall

The individual final SG shortfall is how much SG is still owed for each employee **at the time an SGC assessment is made**, after applying all on time and late SG contributions.

Notional earnings

A daily compounding general interest charge on the individual's base SG shortfall on the date the SGC is assessed. The interest charge begins from the day the contribution was late (the contribution is not late if it is received within 7 business days after payday).

Your individual notional earnings stop accruing at the earliest of:

- the day you make a late eligible contribution that reduces your individual final SG shortfall for the employee to $0
- the day the ATO makes an SGC assessment.

Administrative uplift

An administrative uplift of up to 60% of the individual final SG shortfall amount, plus the notional earnings amount may be added by the ATO.

The 60% penalty can be reduced in two ways – and in some cases, reduced to 0%.

1. **If there has been no recent ATO action**
   The penalty can be lowered to 40% if the ATO has not initiated an assessment or made an estimate of a SGC for the employer in the past 24 months.

2. **If you make a voluntary disclosure**

   The penalty can be reduced if you:

   - Lodge a voluntary disclosure about the relevant quarter,
   - Use the approved ATO form, and
   - Lodge it before the ATO makes an assessment for that quarter.

The ATO form to make a voluntary disclosure will be available on the ATO website.

Choice loading

Under payday super rules, choice loading is a 25% penalty fee (based on the value of the super contributions for that specific Qualifying Earnings day). It is added to your SGC if you fail to pay super into an employee's nominated or stapled fund.

Choice loading is limited to $1,200 per notice period. A notice period will generally begin on either 1 July 2026 or the end of your previous notice period. It will run until the ATO tells you in writing that it ends.

How to avoid choice loading

1. Provide new employees with a Standard Choice Form as soon as possible after onboarding commences.

2. Request the employee's stapled super fund details from the ATO. This can be done before, during or after supplying a Standard Choice Form to the new employee.

3. Pay the super into the employee's nominated fund, or the stapled fund, within the required timeframes.

4. If you attempt to pay to a stapled fund but the fund rejects it, you will not face a choice loading if you then pay to another fund.

Paying the SGC and late payments

The SGC is payable on the day the ATO makes an assessment of SGC.

If the SGC is **unpaid for 28 days** after it became payable, the ATO will issue a written late payment penalty notice to the employer. This notice – known as the Notice to Pay – will specify an amount that must be paid to the ATO by the date given in the notice.

If an employer fails to pay the amount in full within **28 days** of the Notice to Pay (so 56 days after the initial assessment of SGC), they will become liable for a late payment penalty (LPP) on the unpaid amount.

The standard penalty will be **25% of the unpaid amount**. The penalty may increase to 50% if a LPP has previously been imposed on the employer in the past 2 years.

Is the SGC tax deductible?

☑ **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: 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.