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BUSINESS BULLETIN

SUMMER 2025

PAYDAY SUPER IS COMING - WHAT IT MEANS FOR YOUR BUSINESS!

From 1 July 2026, a major change called Payday Super will start. Under these new rules, employers must pay super at the same time as wages, instead of quarterly.

This will be a big shift for many small businesses and will impact cash flow and payroll processes. Now is the time, with the help of your bookkeeper, to understand what's changing and start planning.

What is Payday Super?

At the moment, most employers pay Superannuation Guarantee (SG) quarterly.

Under Payday Super:

- You must calculate SG each pay run as usual.
- Super contributions must reach your employee's super fund within 7 business days of each payday.
- SG is calculated as 12% of an employee's qualifying earnings (QE), which is a new term that brings together ordinary time earnings (OTE) and other payments.

So instead of one quarterly superannuation due date, every pay run has its own super due date.

KEY DATES

21 DECEMBER

November monthly Activity Statements
due for lodgement and payment

21 JANUARY

December monthly Activity Statements
due for lodgement and payment

28 JANUARY

Final day for December Quarter
Superannuation Guarantee contributions

28 FEBRUARY

due date for quarterly (Oct-Dec) Activity
Statements

When Does it start?

Payday Super starts 1 July 2026. From that date, SG contributions must be received in your employees' funds within 7 business days of each payday (this is not the date it leaves your bank account, but rather the date it is received in your employees superfund).

There will be a transition period where many employers will be:

- Making their final quarterly super payments under the old rules, and
- Starting to pay on payday under the new rules.

That's likely to create a one-off cash flow squeeze, so planning ahead is critical.

Why is the change happening?

The Government's aim is to:

- Tackle unpaid and underpaid super.
- Help workers build higher retirement savings by getting super into their account earlier and more often.
- Make it easier for employees to see whether their super is being paid in full and on time, and take action if it's not.



What's actually changing for employers?

1. The timing of payments

Old rules (up to 30 June 2026)

- SG due quarterly (e.g. 28 days after the end of each quarter).

New rules (from 1 July 2026)

- SG must be received by the fund within 7 business days of each payday.

There are a couple of limited exceptions, including:

- SG Contributions for a new employees – 20 business days from payday
 - SG Contributions for existing employees who nominate a new superfund to contribute to – 20 business days from payday
 - Out of cycle payments to an employee that is not a regular payday – 7 business days from their next regular payday
2. SG will be calculated on Qualified Earnings (QE) replacing Ordinary Time Earnings (OTE)

Under Payday Super, the ATO is also shifting the language from OTE to QE. QE is essentially the new base for calculating super – it still includes the types of payments you've been used to paying super on (like ordinary hours, most leave and bonuses), but it also wraps in some additional superable amounts such as certain commissions and salary-sacrifice super. In practice, most employers won't see a big change to what they pay super on, but you'll start to see QE instead of OTE in payroll and ATO guidance, and you may need to double-check that all eligible payments are being captured.

3. Late Payments and the Super Guarantee Charge (SGC)

The SGC applies when amounts aren't received by a super fund within 7 business days of payday (unless an extended timeframe applies, such as for new employees). The SGC:

- Is assessed by the ATO
- Is calculated based on QE
- Includes notional earnings, which is interest that compounds daily at the general interest charge rate
- Includes an administrative uplift, which can vary based on an employer's history of meeting super guarantee obligations and may be reduced by a voluntary disclosure
- Is tax deductible to the extent that it is not a general interest charge levied by the ATO for late payment (different from notional earnings interest)

If an SGC Notice to Pay is levied on the employer and remains unpaid after 28 days, a further late payment penalty will apply. Late payment penalties are 25% of the outstanding SGC amount, increasing to 50% of the unpaid SGC, depending on any prior penalties.

4. ATO visibility and reporting

With Payday Super, the ATO will have greater visibility of contributions by:

- Matching your Single Touch Payroll (STP) data with super fund reporting.
- Requiring reporting of both QE and super liability through STP, so the ATO can identify missing payments more quickly.

This means the ATO will be able to identify late or missing super sooner and intervene earlier.

5. Changes to tools and onboarding

The reform is accompanied by several supporting changes:

- Super funds will generally need to allocate or return contributions within 3 business days (down from 20).
- The SuperStream standard will be updated to support faster payments (including via a New Payments Platform) and better error messaging.
- The ATO Small Business Superannuation Clearing House will be retired from 1 July 2026, so small employers using it will need to transition to another solution.
- Choice of fund rules will be streamlined, and employers will be able to show new employees their 'stapled' fund during onboarding, reducing duplicate accounts.

What's not changing?

It's important to know what stays the same:

- The types of workers you need to pay super for
- The SG rate of 12%
- The basic concept that if you don't pay enough super, or don't pay on time, you will be liable for SG charge and penalties.

What this means for your cash flow

For many small businesses, super is currently a quarterly bill – and sometimes, it unintentionally becomes a short-term cash-flow buffer.

Under Payday Super, that buffer disappears. You'll need to:

- Have enough cash available each pay run to cover both net wages and super.
- Manage the transition where you may be paying your last quarterly super and your first payday super in a short period.

If your business runs tight on cash, this is the area to focus on early.

Practical steps to take now

Here are some straightforward actions you can start working through with your bookkeeper well before 1 July 2026:

1. Review your payroll cycle
 - Confirm how often you pay staff (weekly, fortnightly, monthly).
 - Model what super will look like per pay run instead of per quarter.
2. Stress-test your cash flow
 - Build a cash flow forecast that includes super at every pay date.
 - Identify any periods where cash will be tight during the transition.
 - Consider whether you need finance facilities, revised payment terms with customers, or other changes to support the shift.
3. Check your payroll and super systems
 - Make sure your payroll software can calculate SG correctly on each pay run.



- Make sure it can send super data and payments so that contributions can get to funds within 7 business days.
 - If you currently rely on the ATO Small Business Superannuation Clearing House, discuss alternative clearing houses or direct payment options.
4. Tighten your internal processes
- Set clear internal deadlines: for example, “payroll and super processed by X day each fortnight”.
 - Ensure you have a process to monitor rejected contributions and fix any errors quickly so they’re re-paid within the 7-day window.
 - Keep good records of contributions, payments and any catch-up amounts.
5. Communicate with your team
- Let employees know that from 1 July 2026, their super will be paid every payday.
 - Encourage staff to check their super accounts regularly, so they can spot any issues early.

of the change.

- Working with your payroll software, clearing house and the ATO rules to ensure you’ll be compliant from 1 July 2026.
- Setting up checklists and routines so super is paid on time, every time.

Final word

Payday Super is a significant shift, but with enough lead time it doesn’t need to be a difficult transition.

By understanding the rules now, planning for the cash-flow impact, and working closely with your bookkeeper, you can be ready well before 1 July 2026.



How your bookkeeper can help

Your bookkeeper is in a great position to help you get ready for Payday Super by:

- Reviewing your current super processes and identifying gaps.
- Helping you model the cash-flow impact