

# What is Payday Super?

With Payday Super, employers must pay their employees’ superannuation at the same time as salary and wages to meet their Super Guarantee (SG) obligations, which are currently assessed quarterly. This aims to strengthen Australia’s super system by supporting more frequent, timely super payments for employees.

## What does Payday Super mean for Employers

From July 1, 2026, Employers will be required to ensure that each employee’s SG contribution must be received by their super fund no more than 7 calendar days<sup>1</sup> after payday. To achieve this, employers will typically need to pay super at the same time as salary or wages. There are limited exceptions, including new starters and small or irregular payments.

This change underscores the importance of making timely superannuation payments, which is a crucial part of your employee’s financial planning and future security.

Under the new system, super funds will have a significantly reduced timeframe of 3 business days to allocate or return contributions, down from the previous 20 days. Funds will no longer have an extended period to liaise with employers about contributions that cannot be processed due to incorrect and incomplete data.

Based on these changes , refunds from super funds will increase unless employers take steps to ensure that employee super fund data is correct and complete. And these refunds and errors will occur more frequently and earlier.

## What changes for Employers?

### 1. Payment Frequency Impact

- Employer’s Super correct payment must reach the employee’s fund within 7 calendar days of each payday (This may change in the final legislation)
- Applies regardless of whether you pay weekly, fortnightly, or monthly

### 2. Super Guarantee Charge (SGC) changes under Payday Super

- The new penalty regime is intended to be severe on deliberate or frequent non-payers and under-payers, with some scope for softening the headline penalty where an employer proactively addresses errors.

Current SGC Components	Proposed SGC Components after Payday Super
<ul style="list-style-type: none"><li>• The SG Shortfall</li><li>• The nominal interest component</li><li>• The administration fee – a fee of \$20 per employee per quarter</li></ul>	<ul style="list-style-type: none"><li>• The SG shortfall</li><li>• Interest on SG shortfall calculated using the General Interest Charge (GIC)</li><li>• An additional charge to reflect the cost of enforcement, up to 60% of the SG shortfall component, This will be reduced when employers take action to voluntarily disclose when they have failed to pay contributions in full and on time</li></ul> <p><i>These details may change in the final legislation.</i></p> <p><i>The date from which ATO will apply the penalties is yet to be confirmed.</i></p>

<sup>1</sup> According to exposure draft legislation. Government may change details after taking into account industry feedback

# Payday Super

## What success looks like

- Pay super on or very shortly after payday
- Avoid Refunds – ensure employees' super fund details are correct and current
- Employees' super outcomes are improved

### SuperStream changes designed to help

**Fund Validation Service:** This service accesses an up-to-date register of APRA funds and whether they accept contributions. Providers like SuperChoice are exploring how to make that easily accessible and easy to understand.

**Member Verification Request:** A new 'pre-validation' SuperStream message to be sent to super funds – APRA funds and SMSFs - to validate whether a contribution will be accepted for the employee in question. This verification is to be used as soon as possible after new employees make their Fund Choice, or existing employees change their Fund Choice.

**Consistent Fund Error Messages:** All funds will be required to send error and refund messages using a consistent specification, ensuring employers have greater clarity on the call to action.

### Practical Preparation Tips for Employers

Payday Super represents a major compliance shift for all employers. Start planning now to update payroll systems, set up strong governance, and ensure your team is ready. Early preparation will help you take advantage of the new regime's incentives and avoid unnecessary penalties.

**Data Accuracy:** Incorrect super fund data for an employee is the major cause of refunds, which will likely result in an employer missing the SG deadline.

- Communicate with employees the importance of notifying you when their fund choice changes, and of making sure that the details they provide are correct. APRA funds will gladly provide their members with a choice form to give to employers
- Use solutions with strong data validation capability to improve quality upfront
- Seek out solutions that will automatically trigger a Member Verification Request

**Review Payroll and onboarding Processes:** Ensure your payroll and finance systems and processes can support frequent super calculations and payments

- Establish robust governance and controls to help assure data and payment quality.
- Always make sure the contribution data and the payment amount are equal – discrepancies cause delays
- Use solutions that check the Fund Validation Service before you complete your remittance
- Check how quickly your clearing house provider will match and send to funds

**Consider Automation:** : Implement automation for employee onboarding where possible. Make sure the solution will:

- Automatically validate against the Fund Validation Service
- Automatically trigger a Member Verification message to the chosen fund

For more support or tailored advice, consult your payroll provider or reach out to professional advisors. This infosheet is for general informational purposes only. Please refer to legislative updates or seek professional advice for your specific circumstances.