

Payday Super

— soon to be law

On 9 October 2025, Government introduced the Treasury Laws Amendment (Payday Superannuation) Bill 2025 and the Superannuation Guarantee Charge Amendment Bill 2025. Parliament will be considering the legislation in the upcoming sitting weeks. It's not yet law, but it's getting closer, and the Government remains clear on its intentions.

The following information is based on the legislation version currently before the Parliament.

When does Payday Super start?

From July 1, 2026, Employers and Super Funds will have new obligations.

Key changes for Employers

New Terminology:

Qualifying Earnings (QE): The basis for super calculation, including an employee's ordinary time earnings (OTE), salary sacrifice contributions, and other amounts for Superannuation Guarantee (SG) purposes.

QE Day: The day you pay an employee their Qualifying Earnings—essentially, payday.

New Obligations:

Calculate and Report QE: With each pay run, you must calculate and report the "Qualifying Earnings" for each employee in your Single Touch Payroll (STP) report.

Pay Super on Time: Ensure each employee's full SG contribution is received by their super fund within 7 business days after the QE Day (payday). To meet this deadline, pay super concurrently with payroll and consider faster payment methods like OSKO.

Individual SG Liability: On each QE Day, you will have a Superannuation Guarantee liability for each employee, equal to 12% of the Qualifying Earnings paid to them on that day.

You don't have to wait until 1 July 2026 to implement this. You can start paying super on payday now to prepare for the change.

What you can expect from the Funds

Funds must also comply with a new specification when making refunds so that the information is clear for an employer.

Managing refunds from Super Funds

Under the new system, refunds may become more common as funds have will have only 3 business days to verify information. *(Note: This will be in the regulations that will follow once the Payday bill works through both houses)*

Prevent Refunds: The best approach is to avoid refunds altogether. Verify that your employee super fund data is correct. Make sure your HR/Payroll solution can automatically trigger a Member Verification Request. Read [SuperChoice's Guide to Payday Super Success](#) for more details.

Correcting Payments: If you receive a refund and need to resubmit the payment to the employee's correct fund, you must do so within the original 7 business day window after the QE Day. An "extended usual period" of 20 business days is available in specific situations, such as for a new employee's first payment or the first payment to a new fund for an existing employee.



Super Guarantee Charge (SGC) Changes

If an employee's SG amount is not paid in full within the required timeframe, you will be liable for the Super Guarantee Charge (SGC). It is crucial to meet these new payment deadlines to avoid penalties.

ATO has drafted a Practical Compliance Guideline [PCG 2025/D5](#), which sets out the ATO's proposed compliance approach for the first year of payday super law (if enacted as introduced) in respect of investigating a superannuation guarantee shortfall for a QE Day that occurs from 1 July 2026 to 30 June 2027 inclusive.

Current SGC Components	Proposed SGC Components after Payday Super
• The SG Shortfall • The nominal interest component • The administration fee – a fee of \$20 per employee per quarter	• The SG shortfall • Interest on SG shortfall calculated using the General Interest Charge (GIC) • 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 • Choice Loading: a penalty if you do not comply with the choice of fund rules • Once SGC is assessed, additional interest and penalties may apply if the SGC liability is not paid in full • General interest charge (GIC): GIC will accrue on the entire SGC amount rather than just the total of the individual SG shortfall amounts. • Late payment penalty: If SGC remains unpaid 28 days after it is assessed, the ATO will be required to issue an employer a notice to pay. If the employer does not pay the SGC included in a notice to pay within a further 28-day period set out in the notice, they will be liable to a late payment penalty. • The updated SGC will be tax-deductible

What Employer success looks like

- **Pay super on payday or inline with payday**
- **Avoid Refunds – ensure employees' super fund details are correct and current**
- **Employees' super outcomes are improved**

[Review our content for practical preparation tips.](#)

For additional support

For additional support or personalised advice, consult your payroll provider or contact a professional advisor. This information sheet is intended for general informational purposes only. For specific circumstances, please refer to legislative updates or seek professional advice.