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Payday Super Fact Sheet

Employer fact sheet. Obligations from 1 July 2026

Applies from: 1 July 2026 **Law:** Treasury Laws Amendment (Payday Superannuation) Act 2025 (No. 57 of 2025), assented 6 November 2025, amending the Superannuation Guarantee (Administration) Act 1992 **Current as at:** 10 September 2026

The change in one line

From 1 July 2026, super guarantee must be **received by the employee's fund within 7 business days of every payday -** not quarterly. The old quarterly system ends with the June 2026 quarter (final due date 28 July 2026).

1. At a glance

Item	Old rules (to 30 June 2026)	Payday Super (from 1 July 2026)
Payment frequency	Quarterly	Every time you pay qualifying earnings
Deadline	28 days after quarter end	Fund must receive it within 7 business days of the QE day (payday)
Earnings base	Ordinary time earnings (OTE)	Qualifying earnings (QE) - OTE plus all commissions and certain other amounts
SG rate	12% of OTE	12% of qualifying earnings, subject to the annual maximum contributions base and any applicable exemption certificate.
If you are late	Employer lodges an SG statement; SGC not deductible	ATO assesses the SGC from STP and fund data; SGC is deductible (for QE days from 1 July 2026)
Reporting	STP reporting of OTE	STP reporting of qualifying earnings and the SG liability
Clearing house	Small Business Superannuation Clearing House available	SBSCH has closed - use a commercial clearing house or payroll software

2. When are employees treated as "paid"? (the QE day)

The clock starts on the **QE day** - the day you pay an employee an amount of qualifying earnings. For most employers this is simply the regular payday: the date the wages are actually paid to the employee.

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Key points on timing

- The QE day is the date of **payment**, not the end of the pay period, not the date the pay run is processed, and not the date it is posted to the accounts.
- Each employee has their own QE day. If different employees are paid on different days, each has a separate deadline.
- Every payment of qualifying earnings triggers an obligation - including off-cycle payments such as bonuses, commissions and back pay (see the timing concession for these in section 3).
- Salary sacrificed amounts still count as qualifying earnings if they would have been qualifying earnings had they been paid as wages.

What counts as qualifying earnings

Included	Excluded
Ordinary time earnings (unchanged definition) - including certain paid leave, allowances, bonuses and lump sums All commissions - even for work performed entirely outside ordinary hours Payment in lieu of notice on termination Amounts salary sacrificed into super Payments for the labour of contractors and performers treated as employees for SG	Overtime, where ordinary hours are clearly identified in an award or agreement Bonuses solely for work performed entirely outside ordinary hours Employer and government paid parental leave; community service, jury duty and defence reserve leave Long service leave paid under a portable scheme; annual leave loading referable to lost overtime Unused annual leave, long service leave and personal leave on termination; redundancy and severance payments Fringe benefits, employer super contributions, expense reimbursements, and salary sacrificed to non-super benefits (e.g. a novated lease) Overpayments that must be repaid Certain employees and payments remain excluded from the SG rules, including employees under 18 years and works under 30 hours a week; and some foreign, domestic or private employment arrangements.

Example (ATO): *a genuine redundancy of $40,000 made up of $10,000 payment in lieu of notice, $25,000 redundancy and $5,000 ex-gratia - only the $10,000 notice payment is qualifying earnings, so SG is $10,000 × 12% = $1,200.*

3. How many days you have to pay

The core rule

The contribution must be **received by the employee's super fund**, with all the information needed to allocate it to the member's account, **within 7 business days after the QE day**.

Statutory term: the "usual period" starts on the QE day and ends on the seventh business day after it.

What "business day" and "received" mean

- **Business day** excludes Saturdays, Sundays and days that are public holidays for the whole of any Australian state or territory. A public holiday in only part of a state is still a business day.
- **Received** means received by the **fund** - not the date you pay the clearing house. Build clearing house processing time into your pay-run timetable.

- From 1 July 2026, SuperStream supports near-real-time payments through the New Payments Platform. However, employers should allow sufficient time for contributions to be received and for any errors to be corrected.

Extended and modified deadlines

Situation	Deadline	Detail
New employee, or an existing employee's first contribution to a new fund	20 business days	Applies to the first contribution only - to a new employee, or when moving an existing employee to a different fund after contributions to the previous fund cease
Out-of-cycle payments (bonuses, commissions, back pay)	Next regular payday deadline	Super on the out-of-cycle amount can be paid with the next regular pay cycle rather than within 7 business days of the bonus itself
Exceptional circumstances (e.g. natural disaster, major IT outage) where the Commissioner makes a determination	20 business days	Due within 20 business days after the later of the current QE day or the date the determination is issued
"Bunching" of deadlines	The later date	Where an extended due date overlaps the deadline for a subsequent QE day, both align to the later date

4. If the employee does not give you super fund details

The choice of fund rules are unchanged in substance, but they now bite every payday. You must pay to, in order:

1. the employee's **chosen fund**, if they nominate one;
2. their **stapled super fund**, if they do not choose; or
3. your **default fund**, where the employee has not chosen and the ATO returns no stapled fund.

The practical steps

- Give the employee a Standard choice form as usual.
- Request the stapled fund through ATO online services. You can request it **any time from when the employee accepts the offer of employment** until they choose a fund - do not wait until the first pay-run.
- You have **20 business days** for the first contribution to a new employee or new fund, which is the window in which to resolve missing details.
- If the employee later nominates a fund, you have **2 months** to start paying into that chosen fund. Until then keep paying the stapled or default fund.
- Use a **Member Verification Request (MVR)** (SuperStream v3, from 1 July 2026) to confirm the fund and member details are valid before you pay. Funds must respond within 24 hours.
- If an employee cannot provide SMSF details, or the ATO returns the same or no stapled fund on a repeat request, phone the ATO on 13 10 20.

> **Do not simply hold the money**
>
> There is no "wait until they tell me" concession beyond the 20-business day first-contribution window. If nobody has nominated a fund and the ATO returns no stapled fund, pay your default fund. Paying nothing creates an SG shortfall and an SGC assessment; paying the wrong fund can attract the **choice loading** - 25% of the affected contributions, capped at $1,200 for each notice period.

5. If a super payment bounces or is rejected

A returned or rejected contribution is treated as **not made** - the 7-business day clock keeps running. There is no separate statutory grace period for a bounced payment, so the fix has to happen inside the original window.

What to do

1. **Check for the error message.** Under SuperStream, funds must allocate or return a contribution within 3 business days (reduced from 20). Monitor the contribution status through your payroll software or clearing house. Do not assume that a contribution has been successfully received and allocated merely because no error notification has been received.
2. **Fix the data.** Review the error message, obtain the correct member number, USI/ABN, TFN or name details.
3. **Resubmit immediately** to the correct account, aiming to land inside the original 7 business day window (or 20 business days if it was a first contribution).
4. **If you cannot make the window,** pay as soon as you can anyway. Late contributions still reduce the shortfall and the interest that accrues, provided they arrive before the ATO makes its assessment.
5. **Consider a voluntary disclosure** before an assessment issue - it can reduce the administrative uplift to nil (see section 6).
6. **Document it -** the error, the date you found it, and what you did. The ATO's first-year approach turns on whether you corrected the issue as soon as reasonably practicable.

Overpayments and refunds

- If you overpay for a QE day, you generally do nothing - the excess is applied against shortfalls for earlier QE days or carried forward against future SG for the same employee, for up to 12 months.
- Carry-forward only works while the employee is still employed. Once they leave, contact the fund directly to request a refund; funds have their own processes and will want payroll records or contribution details as evidence.
- Check award or enterprise agreement obligations before requesting any refund.

> **Prevention is the whole game**
> Validate fund and member details with an MVR at onboarding and whenever an employee changes funds; run payroll early enough that a bounce can be corrected and resubmitted within the same 7 business day window; and check for error messages after every pay-run rather than at quarter end.

6. What happens if you pay late, underpay, or pay the wrong fund

You no longer self-report a shortfall. The ATO matches your STP data against fund contribution data and **issues a notice of assessment** for the Super Guarantee Charge (SGC). Lodging an SG statement is no longer mandatory - but a voluntary disclosure is available and is worth making.

The SGC has four components

Component	What it is
SG shortfall	The unpaid or underpaid super for each employee, based on qualifying earnings. Contributions actually made - even late - reduce it, if received before the assessment.
Notional earnings	Interest at the general interest charge daily rate, compounded daily on the shortfall. Accrues from the day after the 7-business day deadline until the day before the ATO makes the assessment.
Administrative uplift	Starts at 60% of the shortfall plus notional earnings. Reduced by prior clean history and by voluntary disclosure - see the table below.
Choice loading	Where you did not follow the choice of fund rules: 25% of the value of the affected contributions, capped at $1,200 for each notice period.

Administrative uplift - how far it can be reduced

Two reductions can apply together, and the uplift can fall to nil. The 20-percentage-point reduction applies where there is no relevant Commissioner-initiated SGC assessment in force and no relevant ATO estimate of an SGC liability during the applicable lookback period. For QE days from 1 July 2026 to 30 June 2028, the lookback period is treated as beginning on 1 July 2026.

When you lodge a voluntary disclosure All periods below run from the relevant QE day	Uplift - no ATO-initiated assessment in prior 2 years	Uplift - prior assessment within 2 years
Within 30 days	0%	20%
31 to 60 days	5%	25%
61 to 120 days	10%	30%
More than 120 days	25%	45%
Not lodged before assessment	40%	60%

If you do not pay the assessed charge

- The SGC is due and payable **on the day the assessment is made**.
- If it is unpaid 28 days after the assessment, the ATO issues a written **Notice to Pay**. If it remains unpaid 28 days after that notice, a **late payment penalty** applies: **25%** of the unpaid amount, rising to **50%** for a repeat failure within 24 months, or nil where exceptional circumstances apply.
- General interest charge also accrues on the unpaid SGC.
- The SGC remains an amount for which company directors can be made personally liable under the director penalty regime - with payday super the exposure now crystallises within weeks of a payday rather than months.

Deductibility - an improvement

- All four SGC components are **tax deductible** for QE days from 1 July 2026. Under the old rules SGC was not deductible at all.
- Not deductible: the general interest charge that accrues on a late SGC payment, and the late payment penalty.

7. ATO compliance approach in year one (1 July 2026 – 30 June 2027)

The ATO has said it will look at behaviour, not just the mistake, and will prioritise the highest risk. Employers making a genuine effort are not the initial focus.

Risk zone	What it looks like	ATO response
Low	Tried to pay correctly and on time each payday; some contributions late or misallocated; corrected as soon as reasonably practicable; no unpaid super remaining	No further review expected
Medium	Does not meet the low-risk criteria, but unpaid amounts are rectified within 28 days after the end of the quarter	Lower compliance priority
High	Super guarantee still unpaid more than 28 days after the end of the quarter; little effort to comply	Highest compliance priority

Risk zones are not fixed - consistent compliance moves an employer back down. These risk zones describe the ATO's general compliance approach only and do not prevent the ATO from reviewing an employer or issuing an assessment where appropriate.

8. Transition from the quarterly system

- The quarter ending 30 June 2026 runs under the **old rules**: 12% of OTE paid between 1 April and 30 June 2026, due to be **received by funds by 28 July 2026**.
- Miss 28 July 2026 and you must lodge an SG charge statement by **28 August 2026** and pay the SGC - with **no late payment offset** available.
- Contributions received on or before 30 June 2026, or between 1 and 28 July 2026, are applied to the June quarter first and then carried forward. Contributions received from 29 July 2026 cannot be applied to the June quarter and count only against payday super obligations.
- The **Small Business Superannuation Clearing House has closed** - any client still using it must be moved to payroll software or a commercial clearing house.
- STP reporting must now carry qualifying earnings and the SG liability, so payroll software must be on a payday-super-ready version.

9. Employer checklist

- Payroll software updated for payday super and SuperStream v3 (MVR capability).
- Clearing house arrangement in place and its processing lead time documented (SBSCH is closed).
- Pay-run calendar mapped to the 7-business day deadline for every pay cycle, including public holidays.
- Onboarding process requests the stapled fund as soon as the offer is accepted and validates details by MVR.
- Someone is named as responsible for checking contribution error messages after each pay-run.
- Bonus, commission and back pay processes identify which amounts are qualifying earnings.
- Cash flow reviewed - SG now leaves the business every pay cycle, not quarterly.
- Termination pay templates updated (payment in lieu of notice attracts SG; unused leave and redundancy do not).
- A written correction procedure exists fix, resubmit, document, and consider voluntary disclosure.

Appendix - technical reference

Source law

- Treasury Laws Amendment (Payday Superannuation) Act 2025 (No. 57 of 2025), assented 6 November 2025, amending the Superannuation Guarantee (Administration) Act 1992 (SGAA).
- Consequential amendments to the Income Tax Assessment Act 1997 (deductibility of SGC) and to the SuperStream data and payment standards / SIS Regulations (fund allocation timeframes, member verification).

Sources

- ATO - About Payday Super; Paying super on payday; Payment deadlines for Payday Super; What payments are qualifying earnings; Paying super for a new employee or fund; Which super fund to pay into; SuperStream changes; If you have overpaid super guarantee.
- ATO - Missed or late Payday Super payments; What to do if you miss a Payday Super contribution; What happens if you don't pay super correctly; How we check Payday Super compliance; Getting it right: compliance in the first year of Payday Super.
- ATO - Payday Super: how to manage super during the changeover.
- Treasury Laws Amendment (Payday Superannuation) Act 2025 (No. 57 of 2025), legislation.gov.au.

Key statutory concepts

Term	Meaning
QE day	The day an employer makes a payment of qualifying earnings to or for an employee
Usual period	Starts on the QE day and ends on the 7th business day after the QE day (SGAA)
Extended usual period	Ends on the 20th business day after the QE day - first contribution to a new employee or new fund; also used for exceptional circumstances determinations
Late period	The period between the last day an eligible contribution could be applied and the date of assessment - the period over which notional earnings compound
Eligible contribution	A contribution received by a complying fund that can be allocated to the member - the receipt date by the fund is what counts
SGC (s 16B(2))	Individual final SG shortfalls + notional earnings + administrative uplift + choice loadings
Administrative uplift (s 19B)	60% of the sum of final shortfalls and notional earnings, subject to reductions prescribed by regulation
Choice loading (s 20A)	25% of the value of affected contributions where choice of fund requirements are not met, capped at $1,200 per notice period
SGC due date (s 36(4))	Payable on the day the assessment is made
Exceptional circumstances	The Commissioner may determine kinds of employers affected by circumstances impeding contributions; determinations can be backdated and extend deadlines and reduce late penalties

Rates and thresholds at a glance

Measure	Rate / period
SG rate	12% of qualifying earnings, subject to the annual maximum contributions base and any applicable exemption certificate.
Standard deadline	7 business days after the QE day (fund receipt)
First contribution - new employee or new fund	20 business days after the QE day
Fund must allocate or return a contribution	3 business days (previously 20)
Fund response to a Member Verification Request	24 hours
Notional earnings	GIC daily rate, compounded daily
Administrative uplift	60%, reducible to 0%
Choice loading	25% of affected contributions, capped at $1,200 per notice period
Late payment penalty	25% (50% for a repeat failure within 24 months; 0% for exceptional circumstances)
Notice to Pay trigger	SGC unpaid 28 days after assessment; penalty if unpaid 28 days after the notice
Overpayment carry-forward	Up to 12 months, same employee, while still employed
Final quarterly SG due date	28 July 2026 (SG charge statement by 28 August 2026 if missed)

Disclaimer

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