



ULTIMATE
TAX & ADVISORY

Super Guarantee Factsheet

**Information in this factsheet applies until
30 June 2026 only.**

**Please note Payday Super takes effect
from 1 July 2026, refer to the updated
guide on our website for the latest**

 08 6144 3370

 www.ultimate-tax.com.au

 office@ultimate-tax.com.au

 1/2 Walcott St, Mount Lawley 6050

 PO Box 554, Mount Lawley WA 6929

 Ultimate Tax & Advisory

 @ultimate_tax

 Ultimate Tax & Advisory



Paying your employees superannuation

Superannuation (super) is a long-term investment for Australians that grows over time to assist people with saving for retirement.

You must pay super for eligible employees and eligible contractors. The minimum super you must pay each quarter for each eligible employee and eligible contractors is called the super guarantee (SG).

From 1 July 2022, eligible employees who earn less than \$450 per month will now be paid super guarantee by their employer on these amounts if they satisfy the other eligibility requirements. Previously employees earning under \$450 per month did not receive super on these amounts.

How do I know if an employee is eligible for super?

You can use the tool by the ATO to determine employee eligibility. This decision tool helps determine if your employees are eligible for super guarantee (SG), including any independent contractors treated as employees for super purposes.

<https://www.ato.gov.au/calculators-and-tools/super-guarantee-eligibility>



How do I know how much super to pay?

You can view the current SG rates here: <https://www.ato.gov.au/tax-rates-and-codes/key-superannuation-rates-and-thresholds/super-guarantee>

The SG amount changes regularly so it is best to check with the ATO to ensure you are using the correct rate.



How do I work out how much super to pay?

To work out what you must pay, multiply your employee's ordinary time earnings OTE for the quarter by the SG rate (or the percentage you use if you're paying super at a higher rate).

If you are using a software provider such as Xero, MYOB, QuickBooks to pay employees the software should calculate the super you need to pay your employees for you. Pending your subscription type it may even lodge and pay these amounts for you.

You will need to check your software to ensure your settings are correct and the super rate is increasing in line with the government requirements.



When do I have to pay employees super?

Super payments are currently due quarterly. When a super due date falls on a weekend or public holiday, your contribution must be received by the fund on or before the next business day. We recommend payments to be made at least 10 days prior to the due date.

Some superfunds may require payments to be made monthly e.g. Cbus. Please refer directly to the superfund guidelines for further details.

You can also make payments more frequently than quarterly, for example fortnightly or monthly. If you do, ensure you pay your total super guarantee (SG) contribution for the quarter by the due date.

Quarter	Period	Payment due date
1	1 July – 30 September	28 October
2	1 October – 31 December	28 January
3	1 January – 31 March	28 April
4	1 April – 30 June	28 July

Please note the ATO has advised that super payment frequency is due to change from 1 July 2026, known as Payday super. More information will be released in coming months.

My employee hasn't provided their super details and I need to pay their super, what do I do?

As an employer, you must select a default super fund that you will pay your employee's super into if they:

- haven't chosen a fund, and
- don't have a stapled super fund

If your employee hasn't provided their chosen fund to you prior to the due date for super processing, you must pay the super into their stapled super fund (if they have one, you can check on the ATO). If they don't have a stapled super fund, you must pay into your employer default super fund. Do not hold off paying super whilst awaiting super details as this will result in you being deemed as paying super late which can mean that super is no longer deductible along with penalties & interest charges.

What happens if I pay super late?

If you don't pay an employee's super guarantee (SG) amount in full, on time and to the right fund, you must:

- pay the super guarantee charge (SGC)
- lodge an SGC statement with the ATO.

The SGC is more than the super you would have otherwise paid to the employee's fund and is not tax deductible. This includes penalties and interest charges.

Super must be received into the employee's superfund by the due date regardless of the date it left your bank account. We suggest paying super at least 10 days prior to the due date to ensure it is received on time.



Do directors/associates still need to pay their own super on time if on wages?

Yes. If you are paying yourself formal wages through payroll, you are deemed an employee and need to follow all the same guidelines as any other employee. If you pay your own super late, you will need to lodge an SGC statement and pay penalties and interest. In addition, these payments are no longer tax deductible.

Do I need to pay super for contractors?

You first need to determine if you contractor is an employee for super purposes. If they are, they will need to be paid super. You can find out more information here [👉](#) **FACT SHEET**

You can find out more information about determining if your contractor is an employee for super purposes by reading our factsheet here

The following tables show the different scenarios an employee may receive compensation for, and determines if you need to pay super on these amounts.

Awards and Agreements		
Payment	Salary or wages	Ordinary time earnings (OTE)
Overtime hours – award stipulates ordinary hours to be worked and employee works additional hours for which they are paid overtime rates	Yes	No
Overtime hours – agreement prevails over award	Yes	No
Agreement supplanting award removes distinction between ordinary hours and other hours	Yes – all	Yes – all
No ordinary hours of work stipulated	Yes – all hours worked	Yes – all hours worked
Casual employee: shift loadings	Yes	Yes
Casual employee: overtime payments	Yes	No
Casual employee whose hours are paid at overtime rates due to a 'bandwidth' clause	Yes	No
Piece-rates – no ordinary hours of work stipulated	Yes	Yes
Overtime component of earnings based on hourly-driving-rate method stipulated in award	Yes	No

Allowances		
Payment	Salary or wages	Ordinary time earnings (OTE)
Allowance by way of unconditional extra payment	Yes	Yes
Expense allowance expected to be fully expended	No	No
Danger allowance	Yes	Yes
Retention allowance	Yes	Yes
Hourly on-call allowance in relation to ordinary hours of work for doctors	Yes	Yes



Expenses		
Payment	Salary or wages	Ordinary time earnings (OTE)
Reimbursement	No	No
Petty cash	No	No
Reimbursement of travel costs	No	No
Payments for unfair dismissal	No	No
Workers' compensation: returned to work	Yes	Yes
Workers' compensation: not working	No	No
Casual employee whose hours are paid at overtime rates due to a 'bandwidth' clause	Yes	No
Piece-rates – no ordinary hours of work stipulated	Yes	Yes
Overtime component of earnings based on hourly-driving-rate method stipulated in award	Yes	No

Leave		
Payment	Salary or wages	Ordinary time earnings (OTE)
Sick leave	Yes	Yes
Parental leave – eg, maternity leave, paternity leave, adoption leave	No	No
Ancillary leave – eg jury duty, defence reserve service	No	No

Termination Payments		
Payment	Salary or wages	Ordinary time earnings (OTE)
Termination payments: in lieu of notice	Yes	Yes
Termination payments: unused annual leave, long service leave or sick leave	Yes	No

Bonuses		
Payment	Salary or wages	Ordinary time earnings (OTE)
Performance bonus	Yes	Yes
Bonus labelled as ex-gratia but in respect of ordinary hours of work	Yes	Yes
Christmas bonus	Yes	Yes
Bonus in respect of overtime only	Yes	No

Thank You

For your Business

 08 6144 3370

 www.ultimate-tax.com.au

 office@ultimate-tax.com.au

 1/2 Walcott St, Mount Lawley 6050

 PO Box 554, Mount Lawley WA 6929

 Ultimate Tax & Advisory

 @ultimate_tax

 Ultimate Tax & Advisory