



**ULTIMATE**  
**TAX & ADVISORY**

# Payday Super Factsheet

(from 1 July 2026)

**Please note Payday Super takes effect from 1 July 2026. Information in this factsheet can be applied at any time, but MUST be implemented from 1 July 2026.**

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**Payday Super is now in effect (from 1 July 2026). Employers are now required to make superannuation contributions for their employees and eligible contractors at the same time they paid their salary, wages or invoices. Contributions need to be received within seven business days of payday.**

**The change was introduced to benefit the retirement incomes of millions of Australians. Employees will benefit from more frequent and earlier super contributions that will grow and compound over their working life.**

**The ATO is consulting on its approach to compliance for the 12 months after the change starts. The ATO's approach will differentiate between low, medium and high-risk employers. This approach will mean that employers who are making the effort to pay contributions in line with each pay cycle can fall into the low-risk category.**

**We've put together some FAQ's below**

## What is Payday Super?

Payday Super is a change to how you calculate and when you pay your employees and eligible contractors' super guarantee.

Super guarantee 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
- paid to an employees' super fund on payday and received by the super fund within seven business days (unless an extended timeframe applies, such as for new employees).

## How will this impact my business?

Payday Super is paid at the same time as wages. This may impact your cashflow. There is currently no allowance for small business to adjust. In order to manage cash flow issues, we suggest you review your payroll systems and super processes and get ready to pay super guarantee more frequently.

You don't need to wait until 1 July 2026 to start paying super at the same time as you pay salary and wages – you can start now. If super is paid late, penalties do apply so it is best to start preparing for the change now.

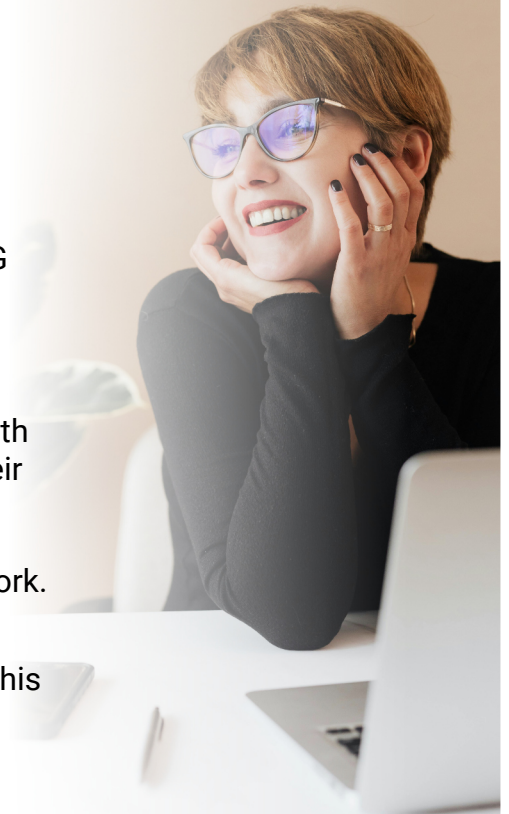
## What if I have a new employee start?

Extended timeframes apply for new employees, to give employers time to set them up for super payments correctly.

The payment deadline is extended for the first eligible SG contribution you are making for a new employee. The contribution must be received by the super fund within 20 business days after the relevant QE day.

When hiring new employees, ensure you provide them with all the appropriate documentation promptly and start their setup in your system as soon as possible to ensure this deadline can be met. Ideally you should have their completed paperwork back by their first official day of work.

If you outsource this task to a third party such as your accountant/bookkeeper, please ensure to provide them this paperwork promptly.



## What about contractors?

If your contractors are considered employees for super purposes, then they also need to be paid super on the day you pay the invoice (not the invoice due date). It is important bookkeeping is kept up to date weekly to ensure no contractor payments are missed when paying their super.

You might consider lining contractor payment dates to be paid on the same schedule to make it easier to keep track of super due dates and simplify admin e.g. if you pay one contractor on the 1<sup>st</sup> and another on the 3<sup>rd</sup> and another on the 5<sup>th</sup> you will have three different due dates compared to paying all on the 1<sup>st</sup>.

You can also potentially complete contractor payments at the same time as employee payroll, if cashflow permits, to simply processing.

## How do I know if I need to pay super for contractors?

You first need to determine if your contractor is an employee for super purposes. If they are, they will need to be paid super.

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



FACT SHEET

## What if my employee changes super funds?

The payment deadline is extended for the first eligible SG contribution you are making to a new complying super fund for an existing employee after you have stopped making contributions to another super fund. The contribution must be received by the super fund within 20 business days after the relevant QE day.



## How do I report super payments?

From 1 July 2026, you report both QE and super liability through Single Touch Payroll (STP).

*It is important to note that the Small Business Superannuation Clearing House (SBSCCH) is closing on 30 June 2025, and you need to find an alternative to processing super. Your accounting software may have this capability but if it is not Xero or MYOB you need to ensure that the software provider will be ready in time. Make sure you have registered in advance with a complying clearing house/software provider prior to 1 July to sort out any errors in advance – there are no allowances from 1 July.*

## Super payments now take so long, is that still the case?

No, improvements are being made. To help employers meet the new deadlines, the SuperStream data and payment standards will be revised to:

- allow near real-time payments through the New Payments Platform
- improve error messaging so you can address errors faster
- provide a new member verification request, which enables employers to confirm that a super fund can match their employee contribution to the super fund for the first time and will accept a contribution for them.

Improvements to the Fund Validation Service will also give employers early notice of key changes to large super fund's details, such as fund mergers, that could affect their ability to make contributions to super funds.

In addition, super funds have three business days to allocate or return contributions.



## Do late payments still apply?

Yes, with some changes. From 1 July 2026 the super guarantee charge (SGC) applies when amounts aren't received by a super fund within seven 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 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.

Penalties are 25% or 50% of the unpaid SGC, depending on any prior penalties.

A voluntary disclosure form needs to be completed for any late payments before the ATO assesses the SG shortfall amount to assist in reducing admin uplift amounts.



## Do I need to upgrade my accounting software?

Potentially, this may be the case. For example, if you have multiple contractors that are treated as employees for super purposes, they will need to be added to your accounting software, and this may require an upgrade to accommodate more employees.

Some software packages may also require you to upgrade to have access to their super features.



## What do I need to do?

Make sure your accounting software can accommodate super processing, and test as soon as possible.

Add any contractors to your accounting software

Advise us when you're moving to Payday Super, if we prepare payroll for you.

If we prepare your super, advise us if you will prepare payday super when completing your payroll or whether you'd prefer us to do this

We understand Payday Super changes may cause you some concern. You can read more on the ATO website [here](#). If you have any questions or need further clarity, please contact the office.



## 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 qualifying earnings (QE) 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.

## 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 result in substantial penalties.



## 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 a voluntary disclosure form and pay any shortfall/penalty amounts as advised by the ATO.



# Thank You

## For your Business

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