

Payday Super Factsheet

Payday Super is a Federal Government initiative designed to improve the economic outlook and financial independence of millions of Australians when they retire.

Under proposed Payday Super rules, from 1 July 2026, employers must pay their employees' super at the same time as their salary or wages.

The Payday Super legislation is currently in the proposal stage and has not yet been tabled or passed into law. This factsheet outlines the proposed changes in the draft Bill which is not legislated and is subject to further amendment.

What Payday Super means for employers

- Contributions must be received by the employee's super fund within 7 calendar days of payday. There are limited exceptions, including new starters and small or irregular payments.
- Super funds have 3 business days to allocate or return contributions.
- Employers will be able to show employees their existing 'stapled' fund during their on-boarding as part of the choice of fund process.
- Where employers fail to pay contributions in full and on time, they are liable for the Super Guarantee Charge (SGC).

Benefits of Payday Super

For your organisation

- Super contributions will be easier to monitor, reducing the risk of penalties.
- Enhanced upfront data requirements will reduce manual processing requirements for errors.
- Finalising super payments each payday will reduce the quarterly administrative burden of managing super for employees who have left the business.

For your employees

- Payday Super will improve the economic outlook and financial independence of your employees. According to government estimates, a 25-year-old median income earner currently receiving their super quarterly and wages fortnightly could be around \$6,000 or 1.5% better off at retirement.¹
- Super contributions are easier to keep track of, allowing employees to better manage their super.

Introducing Qualifying Earnings

The draft Bill introduces the term 'Qualifying Earnings' (QE) for an employer's Superannuation Guarantee (SG) obligations.

- An employee's Ordinary Time Earnings (OTE).
- Amounts of OTE that have been used as part of a salary sacrifice arrangement for super contributions.
- Other amounts which are currently included in an employee's salary or wages for SG.

'QE day' is the new term for the day when you pay your employees.

How the Super Guarantee Charge (SGC) will change

1 Outstanding SG shortfall

Remaining SG after accounting for late contributions (calculations based on QE).

2 Notional earnings

Daily compounding Interest from day after due date (based on GIC rate; currently 11.36%).

3 Administrative uplift

Additional charge of up to 60% of the shortfall, but with reduction for voluntary employer disclosure.

4 General interest charge

Daily compounding interest after assessment until payment.

5 SG charge late payment penalty

Penalty if assessed SG charge is not paid off within a 28-day period. Imposed at 25% of the unpaid charge, or 50% if the employer has previously been subject to the penalty.

How you and your organisation can prepare for Payday Super

Review your payroll software and super contribution processes to identify any gaps between how you currently work and what you will need to do to comply with Payday Super legislation.

Here are some things to consider:

Processes and technology solutions

- How will your current processes and software handle more frequent super contributions?
- Will your super calculation formulas comply with the new definition of Qualifying Earnings?
- Are your current SG payment methods suitable for the faster payment requirements?

Data

- Does your data reconcile between your super reports and what is shown in payroll?
- How easily will you be able to make changes to your current data file, if required?

Error handling

- Are your internal processes for error handling and reprocessing (including staff roles and responsibilities) set up to ensure consistent and timely resolution?

Cash flow

- What effect will more frequent super contributions have on the cash flow of your business?

Compliance

- Under the new Payday Super rules, will how you record, report and demonstrate SG compliance need to change?

Where you can find out more

There are a range of resources from ART, and the government with more information about Payday Super.

For more information, including FAQs, visit ART's [Payday Super website](#).

Or visit government websites

[Securing Australians' Superannuation package](#) on [treasury.gov.au](#)

[Payday superannuation](#) on [ato.gov.au](#)



We're here to help

Our dedicated team of employer specialists can help with your Payday Super questions.

Call us on **13 11 84** or speak with your Relationship Manager.