

Super on Payday:

Fundamental Changes for your business

If you run a business, you already know the juggling act that comes with managing cash flow, paying staff and meeting superannuation guarantee and payroll compliance obligations. From 1 July 2026, there is a major change coming that will reshape how you handle superannuation contributions for your staff.

The new rules are designed to close Australia's \$6.25 billion unpaid super gap and make sure employees receive contributions to their retirement savings at the same time as they are paid

What's Changing?

From 1 July 2026, you will need to pay superannuation guarantee (SG) contributions at the same time as wages, rather than after the end of each quarter. Employers will have seven business days from payday to ensure contributions hit employees' superannuation funds.

If contributions are late, Superannuation Guarantee Charge (SGC) will apply. This means making the missed superannuation contribution, plus interest and an administration penalty. Once SGC has been assessed, further interest and penalties may apply if the SGC liability is not paid in full.

Unlike the existing system, SGC amounts for pay periods on or after 1 July 2026 will be deductible to employers. Any additional penalties for the late payment of SGC will remain non-deductible.

Impacts to your business

For pay periods on or after 1 July 2026 employers will be required to pay superannuation guarantee each pay period rather than quarterly.

There will be a new 'qualifying earnings (QE)' definition and superannuation guarantee of 12% of QE will need to be paid into your employee's superannuation fund within 7 business days of the payment of QE. Despite the new terminology QE should broadly align with the income that has been used to calculate superannuation guarantee under the pre 1 July 2026 rules. The ATO has a detailed summary of ['What payments are qualifying earnings'](#)

You will need to report QE and superannuation guarantee amounts through single touch payroll (STP). This should be broadly similar to your current process other than the new QE definition.

To comply with the new 7 business day deadline, you will need robust systems and should

consider processing superannuation guarantee payments as close to pay day as possible to avoid any processing delays.

The transitional period – 1 July 2026 to 28 July 2026

This period will include the final 2025-26 income year quarterly due date (28 July 2026) and depending on payment frequency may include due dates for QE that is paid on or after 1 July 2026. There are transitional rules that apply which will first allocate any contributions received in this period to the prior April to June 2026 quarter until that quarter's SG liability is extinguished in full. Once the April to June 2026 SG liabilities are met in full contributions will begin to be allocated to the post 1 July 2026 QE periods (oldest outstanding QE period first).

These transitional rules are complex, and we recommend that employers consider whether they make their April to June 2026 SG contributions in late June or early July to start the new payday rules with a clean slate.

While there is an outstanding SG liability for the April to June 2026 quarter any contributions made in the transitional period will be allocated to that prior quarter. This could mean that contributions intended for post 1 July 2026 pay periods may end up allocated to the prior period resulting in July 2026 SG shortfalls.

Processing superannuation guarantee (SG)

Most SG contributions need to be processed electronically through a superannuation clearing house. This has been a requirement for some years however the ATO small business super clearing house (SBSCH) which may be used by some smaller employers is being closed on 30 June 2026. Employers that currently use the SBSCH will need to use a commercial clearing house. The ATO includes some guidance on options [here](#) and we would be happy to discuss alternatives.

Current users of the SBSCH should log in before 30 June 2026 and download their prior contribution records. These records should be retained should they be requested for audit purposes.

In conjunction with the introduction of the Payday super rules the ATO will release a new SuperStream version 3. The ATO's advice is that this technology should allow for fast processing of contributions (potentially same day) however we recommend employers make contributions as close as possible to payday at least initially until we see this system in practice.

SuperStream version 3 will also include a new member verification request (MVR) process which should allow you to confirm that super fund details are correct when you onboard a new employee or an existing employee chooses a new super fund.

Closely Held Employees

There is a SuperStream exemption where a related party employee (think family business)

chooses to have their SG contributions paid to their self managed superannuation fund (SMSF). In this case the contribution can be made directly to the SMSF without using a superannuation clearing house. There are no changes in this area and the ability to do this will still apply post 1 July 2026.

If there are also arm's length employees or related party employees that do not nominate an SMSF their SG contributions will need to be paid electronically via a clearing house.

There are also no changes to the ability for small employers to report payments to closely held employees quarterly for STP purposes. Once an amount of salary or wages is declared that will then start the 7-business day clock. See the ATO guide for [Small employers and closely held \(related\) payees](#) for more detail.

How to Get Ready — Practical Steps to Take Now

1. Check your payroll software.

Most modern systems (like Xero, MYOB, or QuickBooks) already support payday aligned super contributions. Confirm your setup and check if any updates or integrations are needed.

We recommend employers speak to their software providers to understand the full features and benefits of their package and what might be able to be put in place the track SG contributions. It is also important to ensure you receive prompt notifications should there be an issue (for example a returned/rejected contribution).

We will be happy to help you in this area.

2. Map your pay cycles.

Note how often you pay staff (weekly, fortnightly, monthly) and calculate the 7 business day payment window for each.

3. Brief your team.

Make sure whoever manages payroll understands the changes. The ATO has free online resources and webinars to help which can be accessed [here](#).

4. Review your new employee onboarding processes

When a new employee commences the first Payday super due date will be 20 business days after their first QE payment to allow additional time for onboarding and obtaining your employees superannuation details.

Provide super choice forms to new employees as soon as possible and consider a process for making contributions where these forms are not returned. This will generally require paying to a 'stapled super fund' or an employer default fund. The ATO webpage [offer employees a choice of super fund](#) discusses this process in greater detail.

5. Consider your process when errors/rejected contributions occur

There is also an extended 20 business day deadline (from original QE date) if contributions are returned to an employer by an employee's superannuation fund. As discussed in point 1 it is important that systems are in place so that the appropriate team member is notified of a returned contribution and can act.

Generally, in this case employers should revert back to the above onboarding process and provide the employee with a super choice form.