Payday Super is coming – Why employers need to prepare now

From 1 July 2026, employers will need to pay employee superannuation much closer to the time wages are paid.

Known as Payday Super, this reform represents one of the biggest changes to employer super obligations in years. For many businesses, super will no longer be something managed quarterly. Instead, it will become part of every payroll cycle.

While this sounds like a simple timing change, the commercial impact will be much broader for many employers.

In our view, Payday Super is not just a payroll compliance update. It is a cashflow, systems and process change, and businesses that prepare early will be far better positioned when the rules commence.

What is changing?

At present, employers typically pay superannuation guarantee contributions quarterly.

From 1 July 2026, employers will instead be required to ensure super contributions are received by employees' super funds within seven business days of payday. There are some exceptions to this rule, the most notable exception being for the first super contribution for a new employee, where the contribution must be received by the super fund within 20 business days of payday.

For many businesses, this will significantly accelerate the timing of super payments.

As a result, payroll software, super clearing houses, cashflow management and internal payroll processes all need to be ready well before the new rules begin.

The cashflow impact will be significant for some businesses

One of the most immediate impacts will be cashflow pressure.

Many businesses currently accrue super throughout the quarter before paying it after quarter-end. Whether intentional or not, the existing system has effectively created a timing buffer between paying wages and funding super.

From 1 July 2026, that buffer effectively disappears.

For businesses with weekly or fortnightly payrolls in particular, super payments will shift from four larger payments each year to a continuous payment cycle throughout the year. The overall annual super cost is not changing — but the timing of when cash leaves the business certainly is.

That shift will be manageable for some businesses and challenging for others.

Businesses with tight margins, seasonal revenue patterns, project-based income or slow debtor collections are likely to feel the impact first. Now is the time to assess whether existing working capital and cash reserves can support more frequent super payments, or whether you consider making changes to the pay frequency for your business.

Payroll systems and processes will need to be tighter

Payday Super will also place greater pressure on payroll accuracy and processing efficiency.

Under the current quarterly system, there is often time to identify and correct payroll errors before super is paid. That flexibility will reduce substantially once super contributions are tied closely to each payroll cycle.

Businesses should be reviewing:

- payroll software configuration;
- super calculation accuracy;
- employee fund details;
- payroll approval processes; and
- whether their payroll platform and clearing house can process payments quickly enough to meet the new deadlines.

This becomes even more important for businesses with casual staff, fluctuating hours, allowances, bonuses, salary sacrifice arrangements or frequent employee changes.

A payroll issue that may previously have been identified and corrected at quarter-end could quickly become a compliance problem under Payday Super.

The June 2026 quarter needs careful attention

The transition to Payday Super creates several planning considerations that employers should not overlook.

Under the current rules, many employers would ordinarily pay their June 2026 quarter super in July 2026. However, from 1 July 2026, employers will also begin paying super at the same time as payroll under the new Payday Super rules.

The result is that some employees could receive up to five quarters (or 15 months) of employer super contributions into their super fund during the 2027 financial year.

For higher-income employees, or employees with salary sacrifice arrangements already in place, this could push total concessional contributions above the annual cap and trigger additional tax liabilities.

Businesses should also consider whether it is appropriate to bring forward payment of the June 2026 quarter super contributions into June 2026 instead of waiting until July.

While this could create the same 15-month contribution timing issue in the 2026 financial year instead, it could help avoid unintended contribution cap issues in FY27. It would also accelerate the employer tax deduction into the 2026 financial year.

The right approach will depend on the circumstances of both the business and its employees, so employers should seek advice before making changes.

ATO visibility will increase

Payday Super is also expected to give the ATO significantly greater visibility over unpaid or late super obligations.

With super contributions linked much more closely to payroll reporting, missed or late payments are likely to be identified far earlier than under the current quarterly system.

That makes reliable payroll systems and disciplined payroll processes more important than ever.

What should employers do now?

Businesses should begin preparing well before 1 July 2026.

Key action items include:

- reviewing payroll software readiness for Payday Super;
- confirming superannuation calculations are accurate;
- verifying employee super fund details are current;
- assessing whether cashflow can support more frequent super payments;
- reviewing salary sacrifice arrangements and contribution strategies;
- considering the timing of the June 2026 quarter super payment;
- tightening payroll workflows and approval processes; and
- identifying any payroll or super compliance risks before the new rules commence.

Businesses that prepare early are likely to transition smoothly. Those that delay preparation until mid-2026 could find themselves dealing with payroll issues, cashflow pressure and compliance risks simultaneously.

How we can help

Payday Super is far more than a compliance change. It is an opportunity to review payroll systems, cashflow management and employment cost processes before the new rules take effect.

If you employ staff, we strongly recommend contacting us as soon as possible so we can help you assess how Payday Super will affect your business and what steps should be taken now to prepare.

The businesses that start planning early will be in a much stronger position when Payday Super commences on 1 July 2026.