JANUARY 2026 TAX NEWSLETTER

Payday Super Is Coming — What Employers Need to Know Now

If payroll already feels like a balancing act—paying staff on time, managing cash flow, and keeping the ATO happy—there's a change coming that will matter more than most.

From **1 July 2026**, the way you pay super is changing. And while it might sound like *more admin*, this shift could actually make payroll simpler, cleaner, and less stressful—if you prepare early.

The change is called Payday Super

It officially became law on **4 November 2025**. The goal is simple: make sure employees receive their super at the same time they receive their wages. Right now, super can be paid quarterly. Under the new rules, that disappears.

From **1 July 2026**, employers will need to:

- Pay Superannuation Guarantee (SG) **at the same time as wages**
- Ensure super reaches employees' funds **within 7 business days of payday**

If payments are late, the **Superannuation Guarantee Charge (SGC)** will apply—meaning:

- The unpaid super
- Interest and administration charges
- Additional penalties if the SGC isn't paid promptly

There is one upside here: unlike the current system, **SGC amounts will generally be tax deductible**, although penalties for late payment won't be.

Small Business Superannuation Clearing House is closing

There's another important change too. The **Small Business Superannuation Clearing House (SBSCH)** will be retired from **1 July 2026**, so businesses will need to move to alternative payment options.

Why is all this happening?

The Government estimates Australia has a **$6.25 billion unpaid super gap**, and Payday Super is designed to close it—especially for casual and part-time workers. Over time, earlier payments could boost an average worker's retirement balance by around **$7,700**.

Business Benefits

While this reform may feel like extra work at first, it actually comes with some real business benefits:

- **Less admin** – Super paid alongside payroll means no quarterly scramble
- **Lower compliance risk** – Faster ATO data matching helps catch issues early
- **Stronger employee trust** – Staff can see their super growing in real time
- **Smoother cash flow** – Smaller, regular payments are often easier to manage

The ATO has also confirmed it will take a **risk-based, education-first approach** in the first year. Businesses that pay on time are likely to be considered low risk and face fewer compliance checks.

How to Get Ready Now

You still have time—but starting early will make the transition far smoother:

1. **Check your payroll software**
   Most modern systems (Xero, MYOB, QuickBooks) already support payday-aligned super. Confirm your setup and any required updates.

2. **Map your pay cycles**
   Know exactly when wages are paid and when the 7-day super window closes.

3. **Brief your payroll team**
   Make sure everyone involved understands the change and their responsibilities.

4. **Plan your cash flow**
   Consider moving to more frequent super payments now to reduce future shocks.

5. **Monitor regularly**
   Set up monthly checks to confirm super has been paid and cleared correctly.

If you outsource payroll, now is the time to speak with your provider—many are already updating systems to support Payday Super.

The bottom line?

Payday Super isn't just a compliance change. It's a chance to simplify payroll, improve staff confidence, and reduce risk—*if you get ahead of it*.

If you'd like help reviewing your payroll setup or planning the transition, reach out to our team. We're here to make sure you're ready well before Payday Super kicks in.