

Payday Super: A clear guide for employers

Effective 1 July 2026, Payday Super is now legislated. From that date, employers will need to pay Super Guarantee (SG) contributions at the same time as salary and wages. This factsheet summarises the new rules and outlines practical steps to help you meet your obligations, reduce compliance risk, and prepare with confidence.



What's changing?

SG contributions must now:

- Be paid on the employee's payday.
- Reach the super fund within 7 business days of that payday.
- Be based on qualifying earnings, including OTE and salary-sacrifice amounts.
- Super funds must allocate contributions or return them within 3 business days of receipt.

Exceptions:

You may have up to 20 business days for:

- The first contribution for a new employee.
- The first contribution after an employee switches funds.
- Certain irregular payments.

New compliance framework:

The updated super guarantee charge (SGC) includes:

- SG shortfall calculation.
- Notional earnings (daily compounding interest).
- Administrative uplift.
- Late payment penalties and the General Interest Charge (GIC) for overdue amounts.

What this means for employers:

The new system supports:

- More consistent and predictable payment cycles.
- Reduced risk of missed or late SG contributions.
- Clearer reporting and fewer payroll discrepancies.
- Improved visibility for employees and stronger payroll governance.

Steps to prepare

Preparing early will make the transition to Payday Super simpler and help reduce compliance risk. Employers should focus on the following areas:

1 Understand the legislation and your obligations

Familiarise yourself with the new Super Guarantee requirements, including:

- The requirement to pay SG contributions on payday, not quarterly.
- The 7-business day timeframe for contributions to reach the super fund.
- Updated definitions such as qualifying earnings, including Ordinary Time Earnings (OTE) and salary-sacrifice amounts.
- The revised Super Guarantee Charge (SGC) framework and penalties for late or non-compliant payments.

Understanding these fundamentals will help you assess how your current processes need to change.

2 Review payroll systems and pay cycles

Assess whether your payroll system and clearing house can support:

- More frequent super contribution payments.
- The 7-business-day contribution timeframe.
- Both regular and irregular pay schedules under Payday Super.
- Consider how much manual processing is currently involved and whether automation or system upgrades may be required to reduce errors and delays.





3 Confirm clearing house arrangements

The ATO's Small Business Superannuation Clearing House (SBSCH) will close on **1 July 2026**.

If you currently use the SBSCH:

- Identify an alternative clearing house well before the closure date.
- Confirm that your chosen solution can support faster processing and more frequent contributions.
- Understand how rejected or returned payments will be managed.

Early planning will help avoid disruption closer to the transition date.

4 Conduct an employee super data audit and clean-up

Accurate data will be critical under Payday Super. Employers should:

- Review employee super fund details (fund names, USIs, member numbers).
- Identify missing or incorrect SuperStream data that could delay contribution allocation.
- Confirm validation checks are in place to detect errors before payments are submitted.
- Ensure data files can be updated quickly when changes are required.
- Cleaning data early reduces the risk of rejected or late contributions.

5 Assess cash flow impacts

More frequent super payments may affect how cash flow is managed. In addition to regular payroll cash flow planning, consider:

- The potential need for additional funds if contributions are rejected and need to be reprocessed within required timeframes.
- Timing gaps while original contributions are refunded and corrected payments are made.
- This is separate from, and in addition to, managing cash flow for more frequent SG payments.

6 Review internal roles, responsibilities, and compliance processes

Evaluate how responsibilities are currently shared across payroll, HR, and finance teams. This includes:

- Who is responsible for submitting super contributions.
- Who monitors payment confirmations and rejected transactions.
- How SG compliance is recorded, reported, and evidenced.
- Identify processes and changes needed to support more frequent payments and tighter timeframes under Payday Super.
- Ensure relevant staff understand the new requirements, including managing rejected payments and resolving data issues promptly.

Clear training and role definition will help ensure compliance is maintained consistently.

7 Update onboarding processes and internal documentation

Review and update:

- Employee onboarding materials that reference super payment timing.
- Processes for capturing super fund choice and stapled fund details earlier.
- Data validation steps to ensure super details are accurate from the outset.
- Strong onboarding processes reduce downstream errors and rework.

We're here to help

Call 1800 060 312 or speak with your Relationship Manager.

For more information, visit our Employer Payday Super Hub – legalsuper.com.au/payday-super



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