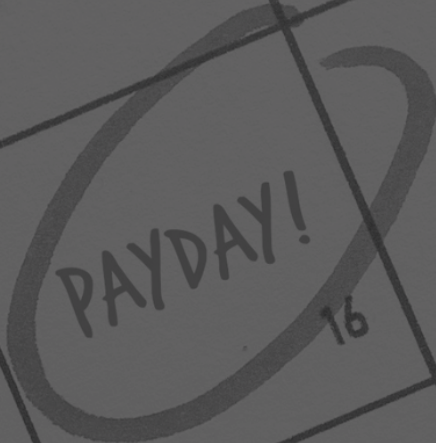




[mwmadvisory.com.au](http://mwmadvisory.com.au)



# Payday Super Client Fact Sheet

# Payday Super

Effective 1 July 2026

## At a glance

<b>What is changing</b>	From 1 July 2026, super guarantee (SG) must be paid each time you pay wages, not quarterly. Super funds must receive the contribution within 7 business days of each pay day.
<b>Who is affected</b>	All Australian employers paying SG to common law employees and workers covered by the extended definition of employee, including eligible contractors.
<b>What stays the same</b>	The 12% SG rate, the categories of workers entitled to SG, and the overall amount of super an employee is entitled to receive.
<b>Why it matters</b>	Late or missed payments trigger an SG charge calculated per pay day, accruing daily interest, with a 60% administrative uplift and a new late payment penalty.
<b>Action required</b>	Review payroll software, cashflow, clearing house arrangements and onboarding processes well before 1 July 2026. See the checklist on the final page.

## Background

Payday Super was first announced in the 2023-24 Federal Budget as part of the Securing Australians' Superannuation package. The reform is now law. The Treasury Laws Amendment (Payday Superannuation) Act 2025 and the Superannuation Guarantee Charge Amendment Act 2025 received Royal Assent on 6 November 2025.

The ATO released its first-year compliance approach in PCG 2026/1 on 28 January 2026, covering the transitional period from 1 July 2026 to 30 June 2027.

Around 8.9 million employees are expected to benefit. The reform is the Government's response to a persistent gap between SG entitlements and actual payments, estimated by the ATO at \$6.2 billion (6.0% of the theoretical SG liability) for the 2022-23 income year.

## Key dates

Date	What happens
<b>1 October 2025</b>	SBSCH closed to new users.
<b>6 November 2025</b>	Payday Super legislation received Royal Assent.
<b>28 January 2026</b>	ATO published PCG 2026/1 outlining the first-year compliance approach.
<b>28 April 2026</b>	Recommended last SBSCH payment (Jan to Mar 2026 quarter).
<b>30 June 2026</b>	SBSCH login disabled at 11:59 pm AEST. All records must be downloaded by this date.
<b>1 July 2026</b>	<b>Payday Super starts. SBSCH closes permanently.</b>
<b>28 July 2026</b>	Final quarterly SG payment due (Apr to Jun 2026 quarter), via a commercial clearing house or alternative.
<b>30 June 2027</b>	End of the ATO's first-year transitional compliance period.

## How super payments will change

### The 7 business day rule

Employers must pay SG contributions so that the super fund **is able to allocate the money to the employee's account within 7 business days** of each pay day (referred to in the legislation as a qualifying earnings day, or QE day).

The fund must have both the money and the correct data within that window. Payment alone is not enough. A business day excludes Saturdays, Sundays and public holidays observed across an entire State or Territory.

In practice, you must factor in clearing house processing time when planning the timing of payments.

### Qualifying earnings: a new term

Payday Super introduces a single earnings base called qualifying earnings (QE), replacing the previous two bases (ordinary time earnings and salary or wages). QE is conceptually similar to OTE, so the amount of SG you contribute will not fundamentally change. A QE day is simply the day you pay qualifying earnings, such as a normal pay cycle wage payment.

### Three extensions are available

- **New employees and fund changes:** the first contribution to a new employee's fund (or to a new fund when an existing employee changes) can be made within 20 business days of the QE day.
- **Out-of-cycle payments:** the Commissioner may allow contributions for commissions, bonuses, back payments or payments in advance to be combined with the next regular pay cycle.
- **Exceptional circumstances:** the Commissioner can extend deadlines for a class of employers in cases such as natural disasters or widespread ICT outages.

### Excess and shortfall contributions

Any unapplied contributions from a QE day will carry forward and apply to a future QE day for up to 12 months. Contributions made after the deadline will automatically apply to the earliest QE day with a shortfall. Employers can no longer elect how to apply a late contribution.

## The new SG charge

If you miss the 7 business day window, the SG charge applies. The charge is now calculated per QE day and is made up of four components:

Component	How it is calculated
<b>Individual final SG shortfall</b>	The SG amount owed (12% of QE) less on-time contributions and any late contributions paid before the SG charge is assessed.
<b>Notional earnings</b>	Daily compounding interest at the General Interest Charge (GIC) rate, applied from the QE day until the shortfall is cleared.
<b>Administrative uplift</b>	Starts at 60% of the combined shortfall and notional earnings. May be reduced based on factors including whether the ATO has previously assessed the employer, and whether and when the employer lodges a voluntary disclosure.
<b>Choice loading</b>	25% of contributions made in breach of choice of fund rules. Cap rises from \$500 to \$1,200 per notice period.

The shortfall, notional earnings and choice loading components are paid into the affected employees' super accounts. The administrative uplift is retained as government revenue.

### Late payment penalty

The Part 7 penalty is abolished. If the SG charge is unpaid 28 days after it becomes payable, the Commissioner must issue a notice to pay. If unpaid 28 days after that notice, a late payment penalty applies:

Situation	Penalty
An exceptional circumstances determination applies	0%
Liable for a penalty in the previous 24 months	50%
All other circumstances	25%

## The SBSCH is closing

The Small Business Superannuation Clearing House closes permanently at **11:59 pm AEST on 30 June 2026**. Around 250,000 small business employers use it. If you do, you must move to an alternative.

Under current rules, SBSCH users meet their SG obligation as soon as the SBSCH receives a valid contribution. This protection does not extend to commercial clearing houses. Under Payday Super, your timeline must include clearing house processing time.

### Transition timeline

- **February to March 2026:** choose an alternative provider. Check your existing payroll software, the SuperStream Product Register, a commercial clearing house, or your default super fund.
- **By 28 April 2026:** make your final SBSCH payment for the January to March 2026 quarter.
- **May to June 2026:** download all employee payment records (Payment Instruction tab, Historical) and employee details (Employees tab) from the SBSCH. Save securely. Run a test pay through your new provider.
- **By 28 July 2026:** make the final quarterly SG payment (April to June 2026) through your new provider.
- **From 1 July 2026:** pay super each pay run for all earnings from that date.

## Other important changes

### Voluntary disclosure statements

The mandatory SG charge statement is removed. Instead, employers can lodge a voluntary disclosure statement at any time before the ATO makes an assessment. Lodging one can reduce the administrative uplift component of the SG charge. A voluntary disclosure may include either the date the contribution was paid (payment day) or the date it was received by the fund (receipt day), or both. The ATO has not yet released the approved form.

### ATO assessments

The Commissioner can assess at any time, either on the Commissioner's own initiative or in response to a voluntary disclosure. The ATO will use Single Touch Payroll data, super fund reporting and any voluntary disclosure to determine the amount. The SG charge is payable on the day the assessment is issued.

### Maximum contributions base becomes annual

The maximum contributions base (the cap on the earnings for which an employer must contribute SG) shifts from quarterly to annual. Based on the current \$30,000 concessional contributions cap and the 12% SG rate, the annual MCB will be \$250,000 for the 2026-27 year.

### Choice loading cap increased

The choice loading limit (the penalty for not complying with choice of fund rules) increases from \$500 to \$1,200 per notice period. The rate remains 25%.

### Faster fund allocation

Super funds will have only 3 business days (down from 20) to allocate or return a contribution. The SuperStream data and payment standards are being updated to reduce rejections, provide clearer error messages and enable faster payments.

### Single Touch Payroll reporting expanded

Employers will be required to report qualifying earnings and superannuation liability amounts through STP for each employee.

## Employer shortfall exemption certificates

Employees who exceed their concessional contributions cap due to multiple employers can apply for an exemption certificate. The rules now allow an employee to apply if they change employers part-way through a year (previously certificates were only available where the employee worked for multiple employers concurrently). The application window has been reduced from 60 to 30 days before the first day of the period covered.

## Tax deductibility

Deductible	Not deductible
On-time SG contributions Late SG contributions SG charge	Late payment penalty General Interest Charge (GIC)

## ATO compliance approach: year one

PCG 2026/1 sets out how the ATO will approach compliance during the first year of Payday Super (1 July 2026 to 30 June 2027). Employers fall into one of three risk zones based on how they manage shortfalls.

Zone	How you get there and what the ATO will do
<b>Low</b>	You attempted full on-time contributions, but some did not reach the fund in time, and you corrected this as soon as reasonably practicable. The ATO will not have cause to review your actions.
<b>Medium</b>	You do not meet low-risk criteria, but you bring all individual final shortfalls to nil by 28 days after the end of the quarter. The ATO may apply compliance resources but at lower priority than high-risk cases.
<b>High</b>	You have one or more individual final SG shortfalls greater than nil at 28 days after the end of the quarter. High-risk arrangements receive the highest priority resourcing.

*This transitional approach is helpful in year one but does not replace the legislative requirement to pay within 7 business days. The risk zones describe how quickly the ATO will act, not whether the SG charge applies.*

## How MWM Advisory can help

Payday Super is a payroll, cashflow and process change rolled into one. We work with clients on:

- Reviewing payroll software options and clearing house arrangements.
- Mapping the timing of pay runs, super payments and cashflow.
- Updating onboarding processes and HR documentation.
- Modelling the SG charge impact of late payments under the new framework.
- Lodging voluntary disclosure statements where shortfalls have occurred.
- Training your payroll and finance team.

**Contact MWM to schedule a Payday Super readiness review before 1 July 2026.**

---

### Disclaimer

*Prepared by MWM Advisory Pty Ltd as general information for clients only. Current as at May 2026 and based on the Treasury Laws Amendment (Payday Superannuation) Act 2025, the Superannuation Guarantee Charge Amendment Act 2025 and ATO PCG 2026/1. This is general in nature and does not take account of your personal circumstances. Obtain specific advice before acting. Liability limited by a scheme approved under Professional Standards Legislation.*

## Action checklist

Use this checklist to track your Payday Super readiness. Print, tick off as you complete each item, and discuss any gaps with your MWM advisor.

### Payroll software

- Confirm your payroll software will support payday-based SG under SuperStream from 1 July 2026.
- Discuss timing of updates, training and any cost changes with your provider.
- If the software is not fit for purpose, plan migration to a new provider with time to spare.

### Clearing house

- If you use the SBSCH, choose a commercial alternative now.
- Confirm the processing time of your chosen clearing house under Payday Super.
- Work backwards from the 7 business day deadline to identify the latest day you can submit a payment.
- Make your final SBSCH payment for the January to March 2026 quarter by 28 April 2026.
- Download all employee payment records and employee details from the SBSCH before 30 June 2026.
- Save SBSCH records securely for audit and onboarding purposes.
- Run a test pay through your new provider before 30 June 2026.
- Make the April to June 2026 quarter payment through your new provider by 28 July 2026.

### Cashflow

- Update working capital and cashflow forecasts to fund SG every pay run, not quarterly.
- Identify seasonal or commission-heavy pay cycles where cashflow pressure will be higher.
- Decide whether the frequency of pay runs should change.

### Onboarding and employees

- Review your new starter onboarding process so fund details, USIs and TFNs are captured on day one.
- Treat the 20 business day extension for new employees as a buffer, not a default.
- Review contractor agreements: Payday Super continues to apply to contractors within the extended definition of employee.
- Communicate the change to all employees so they know super will appear more frequently.

### People and processes

- Update internal policies and procedures for payroll and SG.
- Train all staff involved in payroll on the new rules.
- Identify backup staff who can run pay and super if the primary payroll person is on leave.
- Plan for review of payments around public holidays and long weekends.

### Compliance

- Diarise lodgement of any voluntary disclosure statements where a shortfall has occurred.
- Monitor your risk zone position under PCG 2026/1 during the first year.
- Discuss any pre-1 July 2026 SG shortfalls with your MWM advisor before transition.