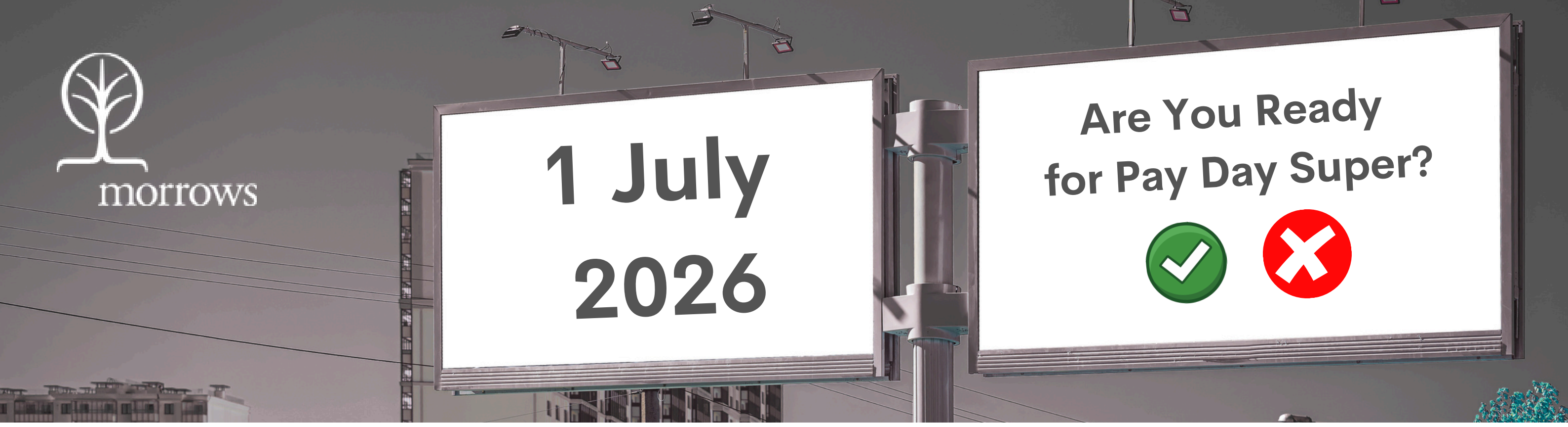

Payday Super: What You Need to Know

From 1 July 2026, employers will be required to pay superannuation at the same time as wages, rather than quarterly. This reform, known as Payday Super, represents a significant shift in how businesses manage payroll, cash flow and compliance.

For many businesses, this is more than a compliance change. It may require updates to payroll systems, internal processes and cash flow management. We are already seeing that many businesses are not yet fully prepared for these changes.

To support you, we have provided the following frequently asked questions and prepared a Payday Super Readiness Checklist, to help you assess your current position and identify any areas that may require attention ahead of 1 July 2026.

Frequently Asked Questions

1. What is Payday Super?
Payday Super is a change to Australia's superannuation system that requires employers to pay super contributions at the same time as their wages, rather than quarterly.

2. When will Payday Super start?
Payday super will commence 1 July 2026.

3. How is this different from the current system?
Currently, employers must pay super at least quarterly. Under Payday Super, super contributions will need to be paid on or before each payday, aligning with payroll cycles.

4. When is super due under the new legislation?
Super contributions must be received by your employee's super fund within 7 business days after paying your employee. Some clearing houses take several days to process payments, so it is best practice to pay your super contributions on the same day as you pay wages. The first super contribution for new employees must be received within 20 business days of their first payday, then all contributions after that must be received within 7 days.

5. Who does Payday Super apply to?
It applies to all employers who are required to pay Superannuation Guarantee (SG) contributions for their employees, including any contractors who are considered employees for super purposes.

6. Why is the Government making this change?

To reduce unpaid and late superannuation and to ensure contributions reach employees' accounts sooner.

7. What are the impacts on employers?

Employers may need to:

- Update payroll systems and processes
- Ensure sufficient cash flow to meet more frequent payments
- Integrate payroll with super clearing houses or software

8. How will super payments be processed?

- Employers will generally continue to make super contributions via a clearing house.
- The ATO Small Business Superannuation Clearing House (SBSCH) will close on 1 July 2026. If you currently use this service, it will remain available until 30 June 2026, after which an alternative clearing house must be used.
- Many payroll systems offer integrated clearing house functionality. If you need to transition to a new provider, ensure it is set up and tested in advance, so super contributions continue to be processed without disruption.

9. What happens if super isn't paid on payday?

The ATO will data-match using information reported through Single Touch Payroll (STP) and information reported by super funds to determine whether there are any missed, late, or underpaid super contributions. If they identify a shortfall, they will calculate your SGC and send you a notice of assessment. The assessment will include penalties and interest and will be due on the day you receive it.

10. Will payroll software need to change?

Most payroll providers are expected to update their systems to support Payday Super, but employers should:

- Check with their software provider
- Ensure automation is in place
- Test processes before implementation

11. How should employers prepare now?

- Review payroll and super processes
- Speak with payroll software providers
- Assess cash flow impacts
- Educate internal teams
- Consider automation tools

12. Will employees need to do anything?

No major action is required, but employees should:

- Monitor their super contributions
- Ensure their fund details are correct

13. What happens to the June 2026 quarter super payments?

The super for the June 2026 quarter is still allowed to be paid before 28 July 2026 under current rules, but could have implications on payday super payments commencing 1 July 2026. Consider bringing forward the June quarter super payment to reduce cash flow pressure from overlapping obligations.

14. Where can I get more help?

If you are unsure where to start or would like help preparing for the change, please speak with your Morrows advisor. We can review your current setup, identify any gaps and develop a clear plan in time for the changes.

Need more help? Our Morrows advisers can help you:

- Audit your readiness
- Model cash flow and funding impact
- Build a structured transition roadmap

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Contact your Morrows adviser on 9690 5700 to book a readiness review today!