

Payday super FAQs

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What is payday super?

The Federal Government is changing how employers pay mandatory super contributions for their employees from **1 July 2026**. The payday super legislation passed Parliament on 4 November 2025 and received Royal Assent on 6 November 2025.

From 1 July 2026, if you're an employer, you will be required to pay Superannuation Guarantee (SG) contributions on an employee's 'payday'.



Why was payday super proposed?

The Federal Government's payday super legislation aims to create a fairer super system for employees and address the issue of unpaid super. SG contributions made each payday will make it easier for employees to keep track of their super and quickly identify any missed payments. Employees will also benefit from more frequent and earlier super contributions that will grow and compound over their working life.



When is payday super proposed to start?

From **1 July 2026**, employers will need to pay their employees' super at the same time as their salary and wages.



Does payday super apply to all employers?

Yes, because payday super will apply to all employees eligible for Superannuation Guarantee (SG) contributions, including full-time, part-time and casual staff.



How long do employers have to make SG contributions after payday?

If you're an employer, you will be required to pay Superannuation Guarantee (SG) contributions on an employee's 'payday', with contributions generally needing to arrive at the employees' super fund within seven business days after each payday.

It is proposed that super funds have three business days to refund a contribution if it can't be accepted (down from 20 business days). If the super fund can't accept the contributions, the contribution is taken not to have been made to the fund by the employer, putting the employer at risk of non-compliance as the original seven business day timeframe still applies.



What happens if the employees' super contributions are not received by their super fund within seven business days of payday?

If you don't pay an employee's super guarantee (SG) amount in full, on time and to the right fund, you will incur penalties and interest charges from the Australian Taxation Office (ATO).

Employers might also face extra charges and fees if they don't pay all super entitlements within 28 days of receiving a notice from the ATO.

To find out more about how the government may enforce compliance, visit the [ATO website](#).



Are there any exceptions to the seven business day rule?

There are several exceptions to this new timeframe, including:

- Employers will have 20 business days (from the day of the first payday) to make an SG contribution if it is the first time the employer is paying super for that employee to that super fund. This will apply to the first super payment for a new employee, the first super payment to the new super fund if an employee elects choice of fund, or if an employer cannot pay to the employee's stapled fund and must redirect the contribution elsewhere.
- If an employer needs to make an out-of-cycle SG contribution, this will not be due until seven business days after the next usual payday (examples noted include commissions, bonuses, advances and back payments).
- The ATO may grant an extension to a class of affected employers when exceptional circumstances apply (examples noted include natural disasters or widespread information and communication technology outages).

It's important to note that these exceptions do not apply to late or missed regular SG contribution payments.



What happens if the super fund rejects the contributions? Do I get an extension?

Generally, no. The SG contribution needs to be resubmitted and received by the super fund within the original seven business day timeframe. This is why it's important to ensure your payroll data is accurate and complete, to minimise the risk of contributions being rejected.

If a super fund can't accept an SG contribution from an employer, from 1 July 2026, the super fund will have three business days to refund the contribution to the employer (proposed).



What are qualifying earnings?

The new rules introduce the term 'qualifying earnings' (QE) which is used to calculate how much SG employers should pay. Qualifying earnings consists of:

- ordinary time earnings (OTE)
- salary sacrifice superannuation contributions
- other amounts which are currently included in an employee's salary or wages for SG purposes

You may hear references to 'QE day' meaning qualifying earnings day. This is the same as an employee's payday, or the day that qualifying earnings are paid to the employee.



Are there any changes to the Maximum Contributions Base?

Yes. The Maximum Contributions Base which limits SG contributions for employees who earn above a legislated threshold, is currently calculated quarterly. From 1 July 2026, it will move to an indexed annual threshold calculated annually, meaning some employees may no longer require SG payments later in the year or risk exceeding concessional contributions caps.



What is happening to the ATO's Small Business Superannuation Clearing House (SBSCH)?

The ATO's SBSCH will be closed from 1 July 2026. The ATO has [published](#) on its website an alert for employers about the pending closure of the service, with new users unable to register from 1 October 2025 although current users will continue to have access to make payments until 30 June 2026.

If you use this service, you may wish to start looking at alternatives, which may include shifting to using an online clearing house like Mercer Employer Portal¹ or Mercer QuickSuper² to make SG contributions. This can help future-proof your employer super contributions and ensure your systems are already set up for when payday super commences. Learn more or join Mercer Employer Portal or Mercer QuickSuper on our website.



What changes are happening to SuperStream as part of payday super?

SuperStream updates include:

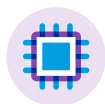
- Super funds must be able to receive fast payments via the new payments platform (NPP) by 1 July 2026.
- Implementing the requirements outlined in the new messaging implementation guide so error messaging is timely, clearer and more meaningful.
- A new SuperStream Member Verification Request (MVR) message for employers to verify whether an employee is a member of a particular super fund, and the super fund can accept their contributions.
- Changes to Fund Validation Services (FVS) to increase the visibility and traceability of changes or closures to Unique Superannuation Identifiers (USI).

For more information, the ATO has a specific section on its [website](#) dedicated to SuperStream changes.



Can I start paying super on payday now?

Yes. Many employers are transitioning early to avoid last-minute disruptions and to build good compliance habits.



How can employers prepare for payday super now?

Many employers are already preparing for the payday super changes by reviewing and testing payroll system configuration for super and Single Touch Payroll reporting practices to ensure readiness:

- **Data:** Ensure your data is accurate. Make sure your data is clean and complete and look for any missing SuperStream data points that could delay contribution allocations.
- **Processes and technology:** Assess your current payroll systems and processes to identify if any updates are needed to meet the new requirements, including clearing houses. Check how your current processes will cope with more frequent contributions.
- **Cashflow:** Plan for the new payment frequency and consider the impacts on your business cashflow of super being paid at the same time as your regular pay cycle.
- **Governance:** Review how you record, report, and prove compliance for SG contributions.
- **New employee onboarding:** Update any onboarding documents that mention super payment timeframes and update your onboarding process to capture super choice early and check employee data.



How is Mercer Super preparing for payday super?

Mercer Super is currently working on several initiatives to:

- Reduce processing times and automate super contributions.
- Provide enhanced integration with payroll providers.
- Make provisions for increased payment volumes.



How can I get more information on the new payday super legislation?

Keep up to date on the latest super changes by continuing to visit the [Mercer Super payday super webpage](#), where we will provide regular updates as the requirements evolve towards their final state, as well as make available practical tools and resources to help your business with the implementation of the payday super changes.

Or visit the ATO's [payday super website](#). The ATO has also developed a [short video](#) that helps explain what payday super means for employers.

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